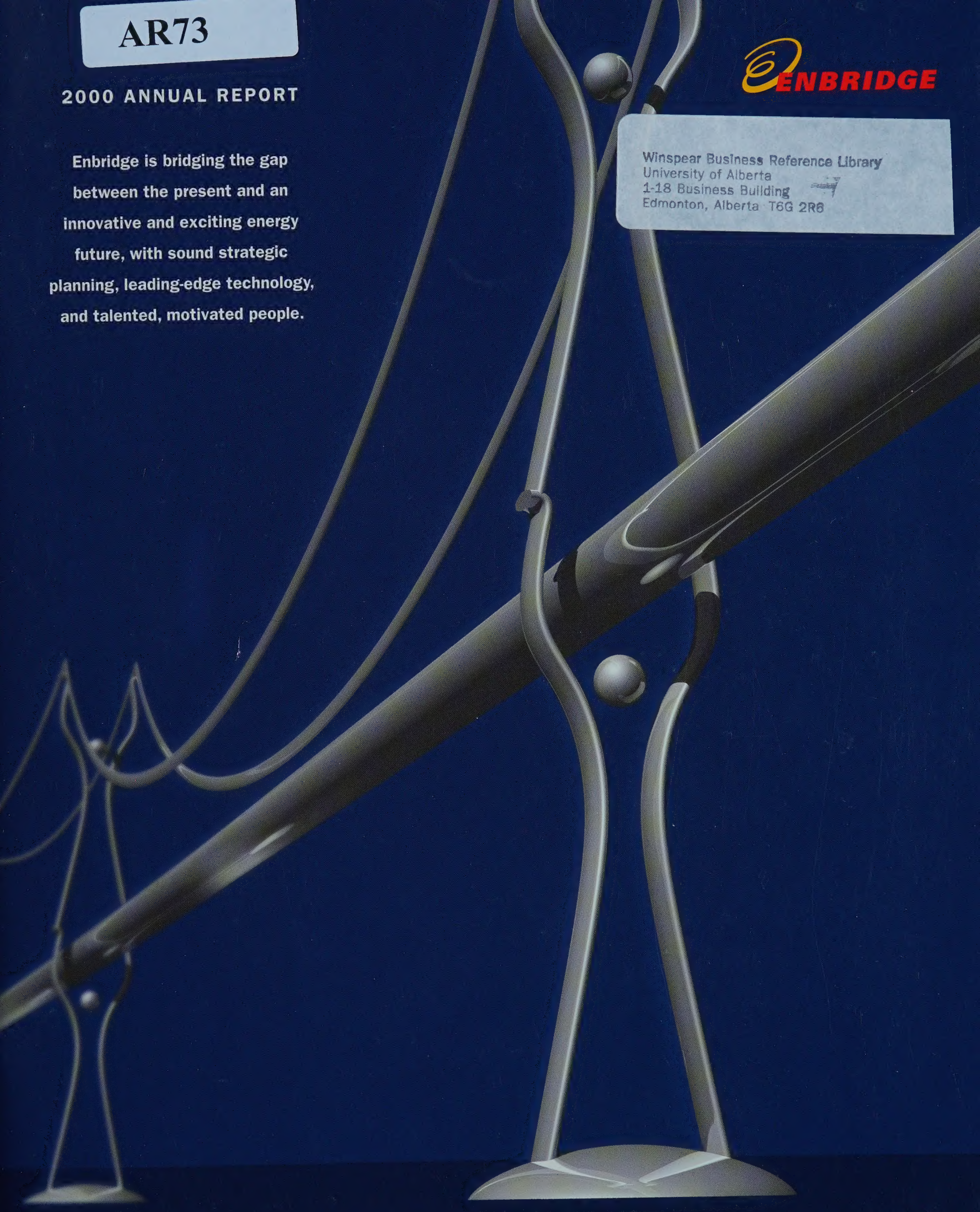
2000 ANNUAL REPORT

ENBRIDGE

Enbridge is bridging the gap between the present and an innovative and exciting energy future, with sound strategic planning, leading-edge technology, and talented, motivated people.



ENSURING OUR ENERGY FUTURE

ENSURING OUR ENERGY FUTURE

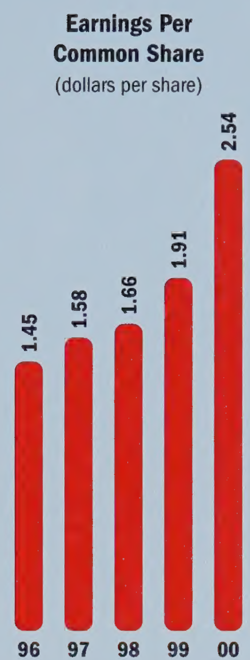
Enbridge bridges the gap between energy supply and the customer. Enbridge is also bridging the gap from the present to an innovative and exciting energy future. Ensuring that future will require careful planning as well as the ability to benefit from opportunities as they arise, which is why strategic planning is an ongoing process at Enbridge. It will require hard work, knowledge, skill and leadership, which is why Enbridge is focused on developing its human resources and intellectual capital. It will also require innovation and efficiency, which is why Enbridge is developing and applying leading-edge technologies throughout its various businesses.

Enbridge operates, in Canada and the United States, the world's longest crude oil and liquids pipeline system. The Company also is involved in the natural gas transmission and midstream businesses, and international energy projects. As a distributor of energy, Enbridge owns and operates Canada's largest natural gas distribution company, which provides gas to 1.5 million customers in Ontario, Quebec and New York State. Enbridge is also developing a gas distribution network for the province of New Brunswick, distributes electricity, and provides retail energy products and services to a growing number of Canadian and United States markets.

The Company employs approximately 5,500 people, primarily in Canada, the United States and Latin America. Enbridge common shares trade on the Toronto Stock Exchange under the symbol "ENB", and on The NASDAQ National Market in the United States under the symbol "ENBR". Additional information about Enbridge is available on the Company's web site at **www.enbridge.com**.

ENBRIDGE

HIGHLIGHTS



Financial

(millions of dollars, except per share amounts)	**2000**	1999	1998
Earnings Applicable to Common Shareholders	**392.3**	287.9	240.9
Cash Provided from Operating Activities	**264.0**	495.1	312.4
Common Share Dividends Paid	**202.1**	186.4	168.3
Per Common Share Amounts (dollars per share)			
Earnings	**2.54**	1.91	1.66
Cash Provided from Operating Activities	**1.71**	3.28	2.15
Dividends	**1.270**	1.195	1.120
Return on Average Common Shareholders' Equity	**18.6%**	14.3%	13.8%
Debt to Debt Plus Shareholders' Equity at Year End	**67.6%**	67.4%	69.7%

Operating

	2000	1999	1998
Energy Transportation[1]			
Deliveries (thousands of barrels per day)	**2,164**	2,023	2,136
Barrel miles (billions)	**743**	696	771
Average haul (miles)	**941**	946	989
Energy Distribution[2]			
Volume of gas distributed (billion cubic feet)	**421**	402	397
Number of active customers (thousands)	**1,520**	1,466	1,414
Degree day deficiency[3] (degrees Celsius)			
Actual	**3,569**	3,460	3,352
Forecast based on normal weather	**3,929**	4,060	4,079

1 Energy Transportation operating highlights include the statistics of the 15.3% owned Lakehead System.

2 Highlights of Energy Distribution reflect the results of Enbridge Consumers Gas and other gas distribution operations on a quarter lag basis for the year ended September 30, 2000 and 1999. Energy Distribution volumes and the number of active customers are derived from the aggregate of buy/sell and transportation service supply arrangements.

3 Degree day deficiency is a measure of coldness. It is calculated by accumulating from October 1 the total number of degrees each day by which the daily mean temperature falls below 18 degrees Celsius. The figures given are those accumulated in the Toronto area.

SUSTAINING LEADERSHIP

Enbridge Inc. has achieved a position of leadership within the energy delivery and services industry, delivering the highest total shareholder return of its Canadian peer group over the past five years. Now, with a new President & Chief Executive Officer at the helm, and a restructured Corporate Leadership Team in place to sustain the high-quality leadership that has been the hallmark of the organization, Enbridge is poised for continued profitable growth.

Effective January 1, 2001, **Patrick D. Daniel** (third from left) became **President & Chief Executive Officer** of Enbridge. Mr. Daniel has been with the Company for over 12 years, and has 30 years of energy sector experience. His leadership skills and executive experience in both the upstream and pipeline sectors are assets and attributes that fit well with the customer-driven organization that Enbridge has built.

The Corporate Leadership Team that supports Mr. Daniel includes (from left to right):

- **Mel F. Belich, Group Vice President, International**. Mr. Belich is responsible for International investments and operations, including the Company's Latin American projects, Enbridge Technology, and International liquids, gas and electric development.
- **Bonnie D. DuPont, Group Vice President, Corporate Resources**. Ms. DuPont is responsible for Law and the Corporate Secretariat function, Human Resources, Public & Government Affairs, Office Services, and Corporate Information Technology.
- **J. Richard Bird, Group Vice President, Transportation**. Mr. Bird is responsible for Energy Transportation operations including Enbridge Pipelines and its related liquids pipelines operations, the Alliance and Vector natural gas pipeline investments, and midstream investments such as AltaGas Services.
- **Stephen J. Wuori, Group Vice President, Planning & Development**. Mr. Wuori's mandate is to lead the critical corporate aspect of mergers, acquisitions and business development. He is also responsible for northern pipeline development, emerging energy technologies, and long-range planning.
- **Rudy G. Riedl**. Mr. Riedl continues in his role as **President, Enbridge Consumers Gas**. In addition, he is **Senior Vice President, Energy Distribution** and has responsibility for Cornwall Electric and Enbridge Gas New Brunswick.
- **Derek P. Truswell, Group Vice President & Chief Financial Officer**. Mr. Truswell continues to be responsible for Treasury, the Controller's area, Risk Management, Audit Services, and the Financial Services group which includes Investor Relations, Pension Fund Investment and Tax.
- **Stephen J.J. Letwin, Group Vice President, Distribution & Services**. Mr. Letwin is responsible for Energy Distribution and Energy Services, including Enbridge Consumers Gas, Enbridge Gas New Brunswick, and Cornwall Electric. He is also responsible for Enbridge Commercial Services, Enbridge Services Inc. and the Company's investment in Noverco Inc.

Enbridge Inc.

ENERGY TRANSPORTATION

Liquids Pipelines

- Enbridge Pipelines Inc.
- Enbridge Pipelines (NW) Inc.
- Enbridge Pipelines (Athabasca) Inc.
- Enbridge Pipelines (Saskatchewan) Inc.
- Enbridge Pipelines (North Dakota) Inc.
- Enbridge Pipelines (Toledo) Inc.
- Enbridge (U.S.) Inc.
- Lakehead Pipe Line Partners, L.P. (15.3%)
- Mustang Pipe Line Partners (30%)
- Chicap Pipe Line Company (22.8%)
- Frontier Pipeline Company (43.8%)

Natural Gas Pipelines

- Alliance Pipeline Limited Partnership (21.4%)
- Vector Pipeline Limited Partnership (45%)
- Cartier Pipeline – proposed (50%)

Other

- AltaGas Services Inc. (40%)
- Aux Sable Liquids Products Inc. (21.4%)

ENERGY DISTRIBUTION

- Enbridge Consumers Gas
  - Gazifère Inc.
  - Niagara Gas Transmission Limited
  - St. Lawrence Gas Company, Inc.
- Noverco Inc. (32%)
  - Gaz Métropolitain and Company, Limited Partnership (77%)
    - Vermont Gas Systems, Inc. (100%)
    - TQM Pipeline and Company, Limited Partnership (50%)
- Enbridge Gas New Brunswick (63%)
- Cornwall Electric

ENERGY SERVICES

- Enbridge Services Inc.
- Enbridge Services (U.S.)
- Enbridge Commercial Services Inc.
- NetThruPut Inc. (52%)

INTERNATIONAL

- Enbridge International Inc.
- Oleoducto Central S.A. (24.7%)
- Enbridge Technology Inc.

CORPORATE

- Global Thermoelectric Inc. (strategic alliance)
- Inuvik Gas Ltd. (33 1/3%)
- Tidal Energy Marketing Inc. (50%)

A LETTER FROM THE PRESIDENT & CHIEF EXECUTIVE OFFICER

Effective January 1, 2001, Brian MacNeill retired from Enbridge after serving 10 years as President & Chief Executive Officer. During his tenure, Brian transformed Enbridge from a liquids pipeline company into what is now a major diversified energy transportation, distribution and services business.

Brian was also clearly focused on ensuring that Enbridge generated superior returns, and the numbers speak for themselves. Since 1991, compound total return to shareholders has been 19.6% per annum. At the same time, the Company's commitment to environmental stewardship and community investment and involvement grew considerably. There is little doubt that Brian will be missed. However, the Enbridge management team is committed to continuing and building on his legacy.

Running the business of Enbridge requires a team approach. The Corporate Leadership Team remains intact and is made up of a solid group of senior executives who provide Enbridge with the experience, knowledge and leadership we will need in the new millennium.

Succession management is a critical and ongoing process at Enbridge, and is strongly supported by your Board of Directors. Succession management has positioned the Company for continued growth and helped create a seamless transition to new leadership at Enbridge.

We recognize that maintaining our competitive advantage requires an ongoing commitment to developing our intellectual capital, and to replenishing our leadership pool through attraction, development and retention of good people. Enbridge has developed and implemented processes for ***Succession Management, Leadership Assessment, Developmental Job Rotations, Exposure to the Strategic Agenda, Enbridge Specific Leadership Development Programs*** and the use of ***Executive Coaches*** to identify and address any gaps between present and future leadership requirements. Enbridge is committed to being an employer of choice, and in June 2000, the Company was included in the national listing of "Canada's Top 100 Employers."

Our Strategies for Continued Profitable Growth

At Enbridge, we believe that strategic planning is one of the most critical processes in helping us to manage for the future. We devote considerable time to it and we receive a significant amount of input from the Board of Directors.

The strategic planning process and our current five-year plan will remain in place, as will the basic direction we have today. Although the direction is sound, course corrections will be implemented as necessary to respond to the rapidly changing environment we work in.

But some things won't change. Enbridge will continue to focus on adding economic value and ensuring that we maintain a relatively low-risk business profile. We won't grow just for the sake of growth, and we will concentrate on the core and complementary businesses that we know best.

What is our course? Our strategies for growth are built upon integration along the energy value chain. They can be summarized in the following four key strategic thrusts.

First, we will enhance profitability through adoption and maintenance of incentive-based rate mechanisms, and manage for operational excellence. The negotiation of a new Enbridge Pipelines Incentive Tolling Settlement for 2000 to 2004, and the adoption of Performance-Based Regulation for Enbridge Consumers Gas support this thrust. So do many efficiency initiatives across the Company. We will be relentless with these initiatives – they are never over!

Secondly, we will develop our core businesses – liquids pipelines, gas distribution and gas pipelines. We will do this through expansion and geographic extension, using greenfield development, acquisitions or joint ventures. Examples of this

ENBRIDGE

January

Construction began on the **Vector Pipeline.** Enbridge has a 45% interest in the natural gas pipeline that connects the Chicago hub with the hub in Dawn, Ontario, to serve key markets in Ontario, Quebec, and the Midwest and Northeast regions of the United States. Vector connects at Chicago with the **Alliance Pipeline**, in which Enbridge has a 21.4% interest, and with Northern Border and other pipeline systems.

thrust include the recently announced Phase II of the Terrace pipeline expansion, the development of gas distribution within New Brunswick, and the acquisition of an additional interest in the OCENSA pipeline in Colombia. Future initiatives will include a potential third phase of Terrace, northern and East Coast gas pipeline development, a new state-of-the-art operations centre in Edmonton that consolidates North American pipeline control operations from a dozen centres into a single facility, and increased emphasis on international investment.

Thirdly, we will develop and acquire businesses which are complementary to the core businesses. This includes gas storage initiatives; the launch of gas services, gathering and processing investment through AltaGas Services; emerging technology investments, including our recent investment in fuel cell technology; and initiatives with respect to investments in and/or shared services with Ontario Municipal Electric Utilities.

Lastly, we will build a base for potential longer-term growth through measured development of unregulated retail energy services. The main component of this initiative is our Ontario-based retail business built around the provision of heating, ventilation and air conditioning products and services.

Three Areas of Emphasis

Within the context of these four strategies for growth, there are three additional areas that we need to emphasize.

We need to increase our geographic "footprint" within North America. This expanded footprint will allow us to diversify our sources of energy supply and capitalize on opportunities outside our existing operations.

We also need to increase our scale. This means increasing the size and scope of our operations so we can manage the risks associated with new technological developments and unregulated businesses.

Finally, we will be emphasizing development and use of new and innovative technologies – for our operations, for our growing Information Technology requirements, and for integration of emerging energy technologies.

Our strategic alliance to develop natural gas-fuelled fuel cell products for residential use is a good example of new technology development. However, it is only one project in a suite of technology-based initiatives we are pursuing that includes Internet-based crude oil trading, state-of-the-art customer information systems, pipeline control and interactive operator training systems, remote repair technologies for gas mains, and gas-to-liquids technology.

Our Focus Will Remain on Adding Value

Enbridge remains firmly on course to build on our core competencies, develop our intellectual capital and maintain the pattern of profitable growth that has earned the trust of our shareholders.

All of us at Enbridge will work on behalf of our shareholders to deliver the kind of superior returns and results shareholders have come to expect. Our goal is to deliver superior earnings growth while maintaining our relatively low risk profile, and we will continue to focus on delivering total returns to shareholders that exceed those of our peers.

Patrick D. Daniel
President & Chief Executive Officer
February 23, 2001

April

Enbridge and the Canadian Association of Petroleum Producers finalized details of a new five-year **Incentive Tolling Settlement** governing tolls on the Enbridge Pipelines mainline system for the years 2000 to 2004. The fundamentals of the new agreement are consistent with the original five-year agreement that expired at year-end 1999, and provide for continued sharing, by Enbridge and its customers, of savings resulting from cost reductions and productivity gains. The agreement received regulatory approval in June 2000.

May

Enbridge announced plans to provide additional long-term crude oil handling services for oil sands operations near Fort McMurray, Alberta. Enbridge is constructing four new crude oil tanks at its **Athabasca Terminal**. When completed and in service in 2001, the tanks will double capacity at the terminal to 1.2 million barrels.

Patrick D. Daniel, President & Chief Executive Officer (left) and Donald J. Taylor, Chair of the Board of Directors

The Year 2000 in Review

Enbridge had another excellent year in 2000. The Company once again achieved record earnings, posted a significant increase in share price, maintained its strong financial position and completed key operational objectives.

Total shareholder return, including dividends, amounted to 59% in 2000, compared with a 16% decline in 1999 and a gain of 12% in 1998. Dividends on common shares were increased, from $0.3025 per quarter to $0.3225 per quarter, a 6.6% rise. Following year-end, Enbridge announced the seventh consecutive annual increase in dividends with an 8.5% increase in the quarterly rate, to $0.35 per share, effective with the March 1, 2001, payment.

Enbridge also continued to grow its core businesses – liquids and natural gas pipelines and natural gas distribution – and develop new businesses. Almost $1 billion was spent on capital investments that are expected to facilitate continuation of the Company's growth profile.

Financial Highlights

Earnings applicable to common shareholders were $392.3 million, a 36% increase over the $287.9 million in 1999. Earnings per share increased to $2.54 per share in 2000 compared with $1.91 per share in 1999. Although the earnings increase was primarily due to reductions in income tax rates which reduced the Company's future tax liabilities, earnings per share continued to grow at a double-digit rate.

Return on average common shareholders' equity improved to 18.6% in 2000, well above average regulated rates of return in Canada.

Capital expenditures were $935 million, compared with the $1.1 billion the Company invested in 1999. Major elements of the 2000 capital spending program related to growth of core businesses, operational efficiency and integration along the energy value chain.

Operating Highlights

Enbridge achieved several key operational objectives in 2000, and began work on a number of new initiatives.

Energy Transportation – Liquids: Volumes for the Company's liquids pipeline system increased approximately 7% over 1999. Over time, further volume increases are expected as new sources of supply come on stream from conventional sources, new heavy oil development, and additional volumes of synthetic crude oil from oil sands plants that are currently being built or planned. In 2000, Enbridge announced plans to invest $120 million in the second phase of its Terrace expansion program; $35 million to double capacity at its Athabasca terminal near Fort McMurray, Alberta; and $55 million on facilities to transport and handle product from Petro-Canada's new oil sands operation scheduled for start-up in late 2002. Enbridge received regulatory approval for a new Incentive Tolling Settlement for 2000 through 2004, enabling Enbridge and its customers to continue to share in cost savings from efficient operation of the Canadian mainline pipeline system. Consolidation of control centres into a single new facility in Edmonton was also announced to improve efficiency and cut costs.

rt of its strategy of involvement in ative energy technologies, Enbridge d into a strategic alliance with Calgary- Global Thermoelectric Inc. to develop istribute natural gas-fuelled **fuel cell** cts for the supply of electric power and heating for residential use. The alliance involves Enbridge in the development of an emerging energy technology, and could become a significant business opportunity in a few years in terms of product and gas sales.

August

Enbridge Gas New Brunswick began construction of its provincial natural gas distribution network. Work began in the major cities of southern New Brunswick – Fredericton, St. John and Moncton – and over the course of the 20-year franchise period, the Company expects to connect 70,000 customers throughout the province.

Energy Transportation – Natural Gas: Enbridge's natural gas transmission strategy became a reality with the completion of construction of both the Alliance and Vector pipelines, and the start of commercial service in December. With a 21.4% interest in Alliance, and as lead operator with a 45% interest in Vector, Enbridge has become a major player in the gas transmission business.

Energy Distribution: Enbridge Consumers Gas, Canada's largest natural gas distribution franchise, continued to add customers at a rate of over 50,000 per year, and customers and shareholders benefited from the first year of operations under Performance-Based Regulation. This model of sharing cost savings with our Ontario customers is consistent with Enbridge's approach taken in the liquids transportation business. In New Brunswick, Enbridge Gas New Brunswick, which is 63% owned by Enbridge, began construction of a new natural gas distribution network for the province.

Energy Services: Enbridge Services, the Company's unregulated retail energy services business that provides heating, ventilation, air conditioning and other products and services, completed its first full year of operations following the October 1999 unbundling of Enbridge Consumers Gas. Enbridge continues to take a measured approach to developing this business, but the Company is encouraged that the first year was a profitable one. Enbridge also launched a shared services business unit in 2000, to provide information technology, billing and fleet management services to Enbridge businesses in Central and Atlantic Canada, and potentially to third-party customers. The shared services business is designed as a model to maximize use of corporate resources and leverage cost efficiencies and intellectual capital across business units.

International: Enbridge increased its interest in the OCENSA crude oil pipeline from 17.5% to 24.7%, and became sole operator of the system, which transports more than half of the total crude oil production in Colombia. The Company and its partners also reached a long-term agreement to operate the Jose crude oil storage and marine terminal in Venezuela.

Other: In July, Enbridge announced a strategic alliance for development of fuel cells for residential use. The fuel cells, which are scheduled for field testing beginning in 2001, are natural gas-fuelled, and Enbridge will have exclusive distribution rights in Canada. In anticipation of tightening supply and rising prices, Enbridge acquired long-term rights to 60 megawatts of power generation capacity at favourable rates: 40 megawatts will be used by Enbridge Pipelines to meet base load requirements; the balance will be sold to third parties. Enbridge also continued to work with producers in Canada and the United States to position itself as a valuable partner in any future gas pipeline development from the Alaskan North Slope and Mackenzie Delta.

There were many accomplishments in 2000, but there were also some disappointments. Although we were initially disappointed when the government of Venezuela decided that the Jose Terminal assets were no longer for sale, we were able to continue negotiations and reach an agreement for a 10-year contract to operate the facility. Second, delays and uncertainties with deregulation of electrical power distribution in Ontario have postponed our strategy for investment in Municipal Electric Utilities, but we continue to seek partnerships with some of the larger MEUs in our gas distribution franchise area. Finally, Enbridge Services closed down its handful of retail stores in British Columbia, while continuing to offer heating, ventilation and air conditioning services there. The Company will concentrate on the much larger and well-established business in Ontario, where the Enbridge brand is already well-known and respected.

Despite these few disappointments, 2000 was clearly another year of significant achievement. Enbridge's financial position is strong, the fundamentals of the business remain excellent and the Company's outlook for growth continues to be positive.

Looking Ahead

Enbridge continues to pursue opportunities for growth, building on core competencies and adding complementary businesses

September

Enbridge completed the purchase of an additional equity interest in the **OCENSA** crude oil pipeline in Colombia. OCENSA transports about 60% of all crude oil produced in Colombia, and Enbridge now holds a 24.7% equity interest and is sole operator of the system.

Enbridge was awarded the transportation and handling services contract for Petro-Canada's new oil sands operation being constructed in northern Alberta for start-up in late 2002. Enbridge will transport up to 30,000 barrels per day of heated bitumen from MacKay River to its **Athabasca Terminal**, where it will be blended with diluent. Up to 60,000 barrels per day of blended product will then be transported to Hardisty, Alberta, on the **Enbridge Athabasca System**.

to further strengthen the energy value chain. The Company also recognizes that in the current environment of rapid change and strong competition, it will be necessary to be even more innovative and agile to realize future growth.

Enbridge sees considerable upside for the liquids pipelines business, and continues discussions with customers for a possible Phase III of the Terrace expansion program. The Company also continues to seek additional customers for the Enbridge Athabasca Pipeline.

A new avenue for participation in growth opportunities in the United States will be through Enbridge's operating role and 15.3% investment in Lakehead Pipe Line Partners. In January 2001, the Lakehead Partnership announced a new strategic plan involving expansion of its business scope to all suitable types of energy transportation assets, including terminals, feeder systems and natural gas assets. The master limited partnership structure is a low-cost source of capital, and the Lakehead Partnership will become the primary United States acquisition platform for Enbridge for mature hydrocarbon transportation assets.

Enbridge plans to aggressively expand its involvement in natural gas. That will include continued growth in the customer base of its Ontario gas franchise, and the move towards implementation of Comprehensive Performance-Based Regulation. It will include continued efforts to work with producers to plan for pipelines to bring northern natural gas to markets, from both the Alaskan North Slope and the Mackenzie Delta. And it will include active participation in the Cartier Pipeline project, announced in January 2001, to develop and construct pipelines to connect East Coast offshore gas to the existing pipeline grid in Quebec.

The Company will aggressively seek new opportunities for international investments, and will extend its current focus on selected areas based on global trends in supply and demand to include a more opportunistic approach to unique or strategic opportunities that arise. Enbridge will continue to pursue investments in Latin America, but is also pursuing projects in other select countries such as Oman and Japan.

Enbridge will continue to improve efficiencies throughout all of its businesses, with the shared services model being one component of that strategy. The Company will also continue to review all aspects of its business and all parts of the energy value chain, to ensure they are profitable. Where course corrections or asset dispositions are required, Enbridge will take timely and appropriate steps.

The Company continues to review acquisition opportunities, particularly for assets that complement existing businesses, and to assess joint ventures and investments. Although Enbridge has not, in recent years, pursued a major acquisition or merger, the Company remains open to any and all opportunities that make sense for shareholders.

In Appreciation

For Enbridge to grow and prosper and ensure its energy future, the Company will require the continued excellence of all of its employees. On behalf of the Board, we thank all of them for their continued dedication, hard work and innovation in 2000, and look forward to their continued contributions to our success.

We also extend our heartfelt thanks to Bill Fitzpatrick, who retired as a Director this year after serving on the Board since 1984, and to Brian MacNeill, who retired as Chief Executive Officer of Enbridge effective January 1, 2001. Under Brian's leadership, Enbridge was transformed into the major and diversified North American energy transportation and distribution enterprise that it is today. He also was the force behind the creation of the Enbridge brand. We thank him for his outstanding leadership and many contributions to Enbridge, and are pleased that he will remain on the Board as a Director.

On behalf of the Board of Directors:

Donald J. Taylor
Chair of the Board of Directors
February 23, 2001

Patrick D. Daniel
President & Chief Executive Officer

October

bridge announced plans to proceed with e second phase of its **Terrace expansion** oject to expand capacity on the Enbridge pelines mainline system. The expansion, ich is subject to regulatory approval, will add 40,000 barrels per day of capacity in 2002, bringing total mainline capacity in Canada to 1.8 million barrels per day of crude oil and natural gas liquids.

December

Both the **Alliance** and **Vector** natural gas pipelines began commercial service, marking the realization of Enbridge's west-to-east strategy for natural gas, and confirming Enbridge as a major player in the natural gas transmission business in North America. Alliance has capacity to transport 1.3 billion cubic feet per day of natural gas; Vector's start-up capacity is approximately 700 million cubic feet per day.

Q and A — ANSWERS TO SOME FREQUENTLY ASKED QUESTIONS

Can Enbridge maintain its pattern of historical growth?

We are confident that we can continue to generate superior returns to shareholders. This is based on visible earnings growth embedded within the existing businesses, as well as new opportunities. For Energy Transportation, we see potential to further increase efficiency and for higher utilization rates on the main liquids pipeline system, and increased contributions from the Athabasca pipeline and tank terminal. Our new gas transmission business also provides opportunities for expansion and new project development. For the Energy Distribution and Energy Services businesses, increased earnings are expected from continuation of customer additions in both Ontario and New Brunswick, savings resulting from Performance-Based Regulation and higher contributions from existing and new retail energy products and services.

The energy industry continues to undergo significant consolidation. Does Enbridge plan to make a large corporate acquisition?

We believe that opportunities exist for continued expansion of our core businesses, as demonstrated in the past, as well as for small-to-medium scale acquisitions, joint ventures and investments. We also will continue to assess other opportunities including larger-scale transactions. However, we will continue to take a disciplined approach to acquisitions and mergers: the synergies and strategic benefits must be demonstrated to our satisfaction and the expected returns must be acceptable to shareholders.

Oil volume increases didn't materialize as expected in 2000. Why, and what does this mean to the future of your mainline pipeline system?

Enbridge's mainline pipeline system volumes increased during the last quarter of 2000, and we expect supply to continue to grow in 2001. With the number of new oil sands and heavy oil projects under construction and scheduled to come on stream in the next two to three years, as well as planned projects, we believe that the future for crude oil and liquids is positive, and we continue to plan with our customers for further system expansion.

Do high natural gas prices reduce prospects for growth in your gas distribution franchise areas?

We see continued growth in our franchise area, and believe that gas will continue to be the fuel of choice in key North American markets. Although sustained high natural gas prices could have a negative impact on gas demand, the long-term fundamentals are strong. Natural gas is the cleanest burning and most environmentally friendly fuel.

Will Enbridge have a role in the development of northern gas reserves?

Enbridge intends to be part of any northern gas development. Given our existing presence in the North, our experience as operators of the only buried pipeline in the North that operates in discontinuous permafrost, and our reputation with shippers, we think we are well positioned. We continue to work aggressively on several fronts. Route selection will be determined by the producers who own the gas reserves, and our efforts are focused on assisting producers, aboriginal peoples and various governments and regulatory agencies with their decision processes.

Why did Enbridge invest in a fuel cell company?

The alliance represents a first step in positioning Enbridge in the development of emerging energy technologies. Fuel cell technology is rapidly evolving to the point where it might soon provide a clean, economical alternative to large power plants in meeting homeowners' needs for reliable electric power. Natural gas required to supply residential fuel cells would benefit our gas distribution and transmission businesses, and provide growth for our retail energy services business in sales, installation and servicing of residential and commercial units.

When used in this annual report, the words "anticipate", "expect", "project", "believe", "estimate", "forecast" and similar expressions are intended to identify forward looking statements, which include statements relating to pending and proposed projects. Such statements are subject to certain risks, uncertainties and assumptions pertaining to operating performance, regulatory parameters, weather and economic conditions and, in the case of pending and proposed projects, risks relating to design and construction, regulatory processes, obtaining financing and performance of other parties, including partners, contractors and suppliers.

OPERATIONS PROFILE

ENERGY TRANSPORTATION

The Energy Transportation business segment includes Enbridge's liquids and natural gas pipelines and its interests in the natural gas gathering and processing business.

Enbridge is strategically positioned to meet growing demand for conventional and synthetic crude oil, and plans to continue to expand its existing liquids pipeline business and extend geographically within North America. The Company is also well positioned to transport growing volumes of natural gas to key markets in Eastern Canada and the Eastern and Midwestern United States.

Liquids Pipelines

Enbridge operates the world's longest crude oil and natural gas liquids pipeline system. That system includes the wholly owned and operated Enbridge Pipelines Inc. system in Canada, and the 15.3% owned Lakehead Pipe Line Partners, L.P. system in the United States.

The two systems have operated for over 50 years, and Enbridge's liquids pipelines systems now comprise approximately 15,000 kilometres (9,000 miles) of pipeline. Pipelines in the system range from 12 to 48 inches in diameter. The system transports more than 75 distinct commodity types, including light, medium and heavy crude oils; synthetic crude oils; natural gas liquids; and refined products.

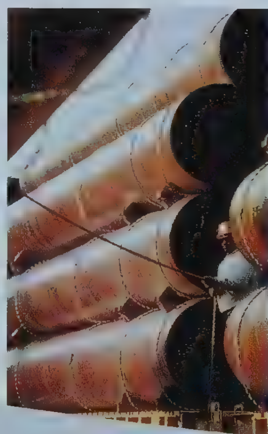
In 2000, Enbridge delivered approximately 2.2 million barrels per day through this system, serving all of the major refining centres in Ontario and the Great Lakes region of the United States.

Enbridge also owns a number of pipelines that connect with the mainline system, and has investments in three pipelines in the United States.

Natural Gas Pipelines

Enbridge has a growing interest in natural gas pipelines, and in just a few years has become a major participant in the gas transmission business.

The Alliance Pipeline, in which Enbridge has a 21.4% interest, extends approximately 3,000 kilometres (1,800 miles) from Fort St. John, B.C., to Chicago, Illinois, and delivers gas to a number of connecting pipelines and local distribution



The Alliance (top left) and Vector (above left and right) natural gas pipelines were both completed in 2000 and in service in December. A new centralized North American Control Centre (top right) was established in Edmonton to operate a number of Enbridge pipeline and distribution systems.

companies at the Chicago hub. The pipeline has capacity to deliver approximately 1.3 billion cubic feet per day.

Enbridge is the lead operator for the Vector Pipeline, and has a 45% interest. Vector extends approximately 550 kilometres (340 miles) from the Chicago hub to Dawn, Ontario, and delivers Western Canadian and United States gas to markets and storage in Ontario, Quebec, and the Midwest and Northeast regions of the United States. Initial capacity is approximately 700 million cubic feet per day.

Natural Gas Midstream

Enbridge participates in the natural gas midstream business through its 40% investment in Alberta-based AltaGas Services Inc. AltaGas's assets include natural gas processing facilities, ethane and natural gas liquids extraction plant processing capacity, and AltaGas Utilities Inc., a gas distribution company serving over 90 Alberta communities.

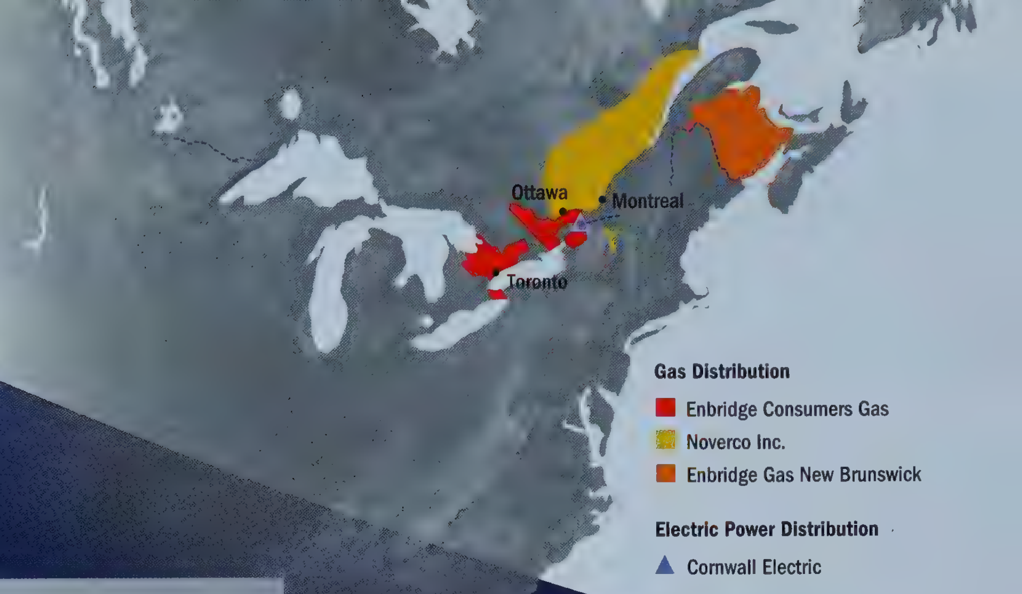
NEW CONTROL CENTRE HAS LONG REACH

Enbridge has long been a leader in pipeline operation technologies – its Supervisory Control and Data Acquisition (SCADA) computer systems and technical support services are in demand globally. In recent years Enbridge has applied this technology to the safe, efficient operation of its numerous pipelines through a dozen different Control Centres. Beginning in 2001, however, control of most of the Company's pipeline systems is being consolidated at the Transportation Group's new North American Operations Control Centre in Edmonton.

In 2000, the Company began the relocation of control centres at 11 locations to an expanded Control Centre in Edmonton. Included in the move is the control console for the Enbridge Consumers Gas distribution system, previously located in Toronto, and the controls for the recently completed Vector Pipeline.

The moves were the result of an operational review of Enbridge's control centres conducted last year, and advances in pipeline control technology that make it possible to safely operate pipelines from a single location. Pipelines are electronically monitored from the Operations Control Centre in Edmonton using the PROCYS™ pipeline control technology. Information is relayed back and forth between Edmonton and remote sites 24 hours a day, seven days a week using WAN (wide area network) system technology. The centre monitors and controls approximately 15,000 kilometres (9,000 miles) of liquids pipelines, 550 kilometres (340 miles) of large diameter natural gas pipelines, and 30,000 kilometres (18,000 miles) of natural gas distribution lines.

Consolidating the Control Centres to a single location will save money while ensuring the safety and integrity of the pipeline and gas distribution systems. It is expected that 12 control consoles will be fully operational by the end of 2001.



NORTHERN AND EAST COAST PIPELINES: AN OPPORTUNITY

Enbridge believes strong North American demand will drive infrastructure development to connect new natural gas basins such as those in the North and the East Coast offshore. Enbridge views both areas as significant long-term opportunities.

There are a number of potential northern pipeline routes involving transportation of Alaskan gas from Prudhoe Bay, Alaska, and Canadian gas from the Mackenzie Delta in the Northwest Territories. Most observers predict that it will take about seven years to put a northern pipeline in place, but producers are already studying their options for transporting gas south. Enbridge believes it will be the producers who will determine the timing and routing for any projects. Enbridge sees its role as a service provider to the producers and is working with them in a supportive and collaborative manner.

Enbridge has some significant and unique advantages for northern development. It is the only Canadian pipeline company with regulatory, design, construction and operating experience in the North and in discontinuous permafrost.

On the East Coast, Enbridge and Gaz Métropolitain and Company, Limited Partnership have proposed a pipeline to connect natural gas from offshore Nova Scotia to the existing Canadian gas transmission grid in Quebec.

Enbridge and Gaz Métropolitain would build a new 260-kilometre (160-mile) pipeline in Quebec called the Cartier Pipeline, which could be in service by late 2004. It would be connected to offshore Nova Scotia gas supplies by another new pipeline, to be constructed in New Brunswick, and would provide access to natural gas for customers in New Brunswick, Quebec and Ontario.

ENERGY DISTRIBUTION

The Energy Distribution business segment includes Enbridge's natural gas distribution businesses, the Company's investment in Noverco Inc. and electrical power distribution in Cornwall, Ontario.

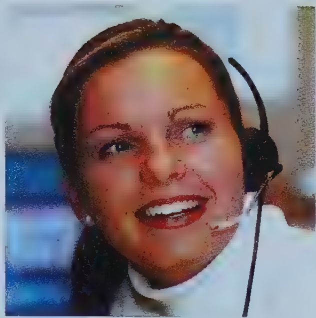
Enbridge Consumers Gas

Enbridge Consumers Gas is Canada's largest natural gas distribution company, delivering gas to customers in central and eastern Ontario, including Toronto, Ottawa, the Niagara Peninsula, and other Ontario communities. Through subsidiaries and affiliates, Enbridge Consumers Gas also serves customers in parts of Quebec and New York State.

Enbridge Consumers Gas has been adding new customers at the rate of over 50,000 per year, and currently serves approximately 1.5 million customers. The Company delivered 421 billion cubic feet of gas in 2000, meeting peak day demand of over 3 billion cubic feet. The Company owns and operates approximately 30,000 kilometres (18,000 miles) of gas distribution mains, as well as the service pipes required to transfer gas from mains to meters in customers' homes and businesses. Enbridge also operates storage facilities with capacity for almost 100 billion cubic feet of gas.

Noverco

Through its 32% interest in Noverco Inc., Enbridge participates in gas distribution and transmission in Quebec and the northeast United States. Noverco is a holding company that holds a 77%



Enbridge Consumers Gas (top left and centre) distributes gas to 1.5 million customers. In 2000, Enbridge Gas New Brunswick (above) began construction of its new provincial distribution network. Jim Perry, Global Thermoelectric President, and Pat Daniel, Enbridge President & CEO, opened Global's new fuel cell production plant in December (top right).

interest in Gaz Métropolitain and Company, Limited Partnership, which is engaged in natural gas distribution in Quebec and Vermont. Gaz Métropolitain holds a 50% interest in TQM Pipeline & Company, Limited Partnership, which owns and operates a pipeline transporting gas in Quebec.

Enbridge Gas New Brunswick

Enbridge began construction in August 2000 on a gas distribution network for the province of New Brunswick. Through Enbridge Gas New Brunswick, which is 63% owned by Enbridge, the Company plans to invest approximately $300 million during a 20-year franchise period. Gas deliveries will begin this year for a number of cities including Fredericton, Moncton and St. John, with an estimated 23 communities expected to be served within five years.

Other

Enbridge owns and operates Cornwall Electric, which distributes electric power to the city of Cornwall and adjacent townships.

NEW AND EMERGING TECHNOLOGIES

Enbridge recognizes that to sustain its role as an industry leader, it must sustain its leadership in the development and use of relevant technologies. That includes technologies that keep the core businesses current, information technologies that can reshape business practices, and emerging energy technologies that can materially change energy requirements.

Enbridge is currently working on a suite of technology-based initiatives that includes Internet-based crude oil trading, state-of-the-art customer information systems, pipeline control and interactive operator training systems, remote repair technologies for gas mains, and gas-to-liquids technology.

To evaluate emerging technologies, Enbridge created a team called the Pathfinders Group. They were responsible for the strategic alliance with Global Thermoelectric to develop natural gas-fuelled fuel cell products for residential use. The alliance involves Enbridge in the development of a very significant new technology, and could become a tremendous business opportunity in a few years in terms of product and gas sales.

A fuel cell is an electrochemical device that takes a fuel such as hydrogen or natural gas and combines it with oxygen to produce electric power, heat and water. Cells generate significantly lower emissions than combustion processes. They are environmentally friendly, and extremely efficient.

If the product proves commercially viable, Enbridge has exclusive distribution rights in Canada, and the Company's gas transmission and distribution businesses would benefit as well.

The Pathfinders Group is also evaluating opportunities for investments in other emerging technologies such as wind power and microturbines.

ENERGY SERVICES

Enbridge is taking a measured entry into the unregulated retail energy services business. Enbridge Services Inc. provides retail energy products and services such as the sale and maintenance of heating and air conditioning appliances and equipment, fireplaces, and financing for those appliances. The Company operates outlets in Ontario as Enbridge Home Services and Enbridge Business Services, delivering products and services in the home comfort marketplace.

Retail energy service opportunities also have been identified in the United States, and Enbridge Services (U.S.) is developing a retail energy services business in the Philadelphia area, as a first step to expanding into other United States markets.

INTERNATIONAL

Enbridge International

The objective of Enbridge International Inc. is to supplement Enbridge's North American business activities by participating in projects that utilize technical and operating expertise in liquids and gas transportation, storage and terminalling. The Company's major investment to date has been in the Oleoducto Central South America (OCENSA) crude oil pipeline in Colombia. OCENSA transports over 500,000 barrels per day of crude oil from the Cusiana and Cupiagua oil fields to the port of Coveñas on the Caribbean Coast. Enbridge has a 24.7% interest in the OCENSA pipeline and is the operator of the system.

Enbridge Technology

Enbridge Technology Inc.'s pipeline and natural gas distribution consulting, training and technology transfer activities provide Enbridge with an entry to review and investigate business opportunities around the world. Over the last 30 years, over 500 consulting projects have been completed in over 30 countries.

ENVIRONMENT, HEALTH AND SAFETY
And the Challenge of Climate Change

Enbridge is committed to health, safety and protection of the environment. The Company uses a Safety Management System approach to integrate safety components into a comprehensive system of policies, programs and procedures that promote a safe work environment, identify and control hazards and promote the safety of all personnel. Similarly, Enbridge uses an Environmental Management System to ensure the Company is operating in an environmentally responsible manner and integrates environmental planning into its various North American and International projects.

Enbridge has identified climate change as a key environmental issue that must be effectively addressed if the Company is to sustain its leadership position. Overall objectives established in 2000 will be to take proactive measures to meet emissions exposures, to help sustain the environment of the global community our customers and employees inhabit, and to add value by investing in environmentally friendly technologies.

Enbridge continues to take a lead role in the nation-wide greenhouse gas emissions reduction program, *Action By Canadians*. The program promotes voluntary action by individual Canadians, and was launched through the leadership of Pat Daniel, Enbridge President & Chief Executive Officer.

Enbridge is also a participant in Canada's *Climate Change Voluntary Challenge and Registry* (VCR). Enbridge Consumers Gas and Enbridge Pipelines (Saskatchewan) received Gold Champion Reporting Level awards from the VCR for their most recent reports, and Enbridge Pipelines received a Silver Champion Reporting Level award.

Enbridge Services (at left, top row) is in the retail energy products and services business in Ontario and Philadelphia. Enbridge increased its interest in the OCENSA crude oil pipeline (at left, bottom) in Colombia to 24.7% and is now sole operator.

eva's initiatives

Action By Canadians

Enbridge Festival of Trees

Share the Warmth

Leadership Regina

Leadership Calgary

Leadership Edmonton

Leadership Ottawa

ENBRIDGE IN THE COMMUNITY
'We Deliver More Than Energy'

Enbridge manages its **Community Investment Program** as a reflection of a key value – corporate social responsibility. The Company's goal is to help build strong and sustainable communities where we operate by supporting not-for-profit organizations through contributions of financial and human resources and expertise.

The Company recently created a Social Vision Statement that reflects our strategy for 2001 and beyond.

"We're Enbridge. In partnership with our communities, we deliver more than energy; we deliver on our commitment to enhance the quality of life in our communities by supporting programs in health, education, social services and the environment. Together with our employees we have the energy to make a difference."

In 2000, Enbridge invested $3 million in communities in which we operate.

Health and Social Services: Once again, Enbridge employees across Canada and in the United States raised a total of over $1 million for *United Way* campaigns in their areas. In Calgary, the annual *Enbridge Festival of Trees* raised $250,000 for the Southern Alberta Children's Hospital. In Edmonton, Enbridge was the lead corporate sponsor for the *Great Human Race*, an annual run and walk that raised over $200,000 in support of 121 community agencies, and Enbridge was honored with an award at Edmonton's Philanthropy Day for partnering on the annual *Enbridge Symphony Under the Sky* program with the Edmonton Symphony Orchestra. In Toronto, Enbridge Consumers Gas provided support for *Eva's Initiatives Light Up a Life Campaign* in support of homeless youth. Enbridge Consumers Gas continues to provide resource support for *Share the Warmth*, a not-for-profit organization that assists low-income families, seniors, chronically ill and disabled persons living at or near the poverty level who are unable to pay their energy bills. In 2000, as gas prices began to rise, the Company announced that Enbridge would be the first utility company in Canada to match any customer donations used to pay gas utility bills on behalf of customers who require assistance.

Internationally, Enbridge took the lead in coordinating a humanitarian relief mission in support of displaced people in regions of Venezuela ravaged by torrential rains and mudslides. In March 2000, the HMCS St. John's sailed from Halifax to Puerto la Cruz, Venezuela, with 27 pallets of relief non-perishable food supplies and personal care products.

Education: Enbridge created bursaries, for students of aboriginal ancestry, at Brock University in St. Catharines, Ontario, and at Keyano College in Fort McMurray, Alberta. The Company continued to support numerous bursaries for high-performing students requiring financial support to pursue studies in science and engineering, regulatory studies and corporate environmental management. Various chapters of *Junior Achievement* across the country were supported by funding and direct employee volunteer action in support of the *Economics of Staying in School* and *Personal Economics* programs. Continued support of grassroots programs addressing literacy issues were also supported in 2000.

Environment: Funding was provided through the Enbridge Environmental Initiatives Program for 33 grassroots projects along the Enbridge Pipelines right-of-way. Projects included nature trail development, educational garden projects, compost and recycling facilities development and tree planting. In Cornwall, Ontario, Enbridge provided funding support for the *St. Lawrence River Institute*, an organization that brings together world-renowned scientists and educators to study and share knowledge about large river ecosystems. Enbridge continues to support the *Action By Canadians* program, which has provided climate change information to more than 4,100 Enbridge employees and others through 185 community workshops across Canada. Individuals have pledged reductions of 6,820 tonnes of greenhouse gases, the equivalent of 740,000 trees planted per year.

Civic: Enbridge has a tradition of strong leadership, and the Company believes in building on this legacy to help the next generation of leaders. Enbridge supports leadership development programs in Calgary, Edmonton, Regina and Ottawa to train and develop emerging leaders so they can further their ability to effectively lead and build our communities. Enbridge is committed to expanding support of similar leadership programs in other communities.

ENBRIDGE

OVERVIEW

	2000	1999	1998	1997	1996	Compound Annual Growth
Return on Average Common Shareholders' Equity	**18.6%**	14.3%	13.8%	14.2%	15.0%	15.2%[1]
Earnings Applicable to Common Shareholders (millions of dollars)	**392.3**	287.9	240.9	217.3	180.3	21.5%
Earnings per Common Share (dollars per share)	**2.54**	1.91	1.66	1.58	1.45	15.0%
Dividends per Common Share (dollars per share)	**1.270**	1.195	1.120	1.060	1.015	5.6%
Total Assets (billions of dollars)	**10.6**	9.2	8.3	6.7	5.8	16.3%
Active Customers at Gas Utility (thousands)	**1,520**	1,466	1,414	1,362	1,307	3.8%
Liquids Deliveries (thousands of barrels per day)	**2,164**	2,023	2,136	2,083	1,970	2.4%

1 Represents average ROE for five year period

- Return on average common shareholders' equity improved to 18.6% in 2000, well above average regulated rates of return in Canada.
- Earnings applicable to common shareholders increased by $104 million, or 36%, over 1999 resulting in a compound earnings growth rate of 21.5% per annum over the last four years. This improvement was achieved despite the record warm winters experienced in the Company's gas distribution franchise areas over the past three years which adversely affected earnings by $22 million in 2000, $31 million in 1999 and $40 million in 1998.
- The Company has achieved its annual double-digit growth in earnings per common share objective since 1995.
- While increasing its quarterly dividend payments for the fifth consecutive year in 2000, the Company has reduced its dividend payout ratio to 50% from 87% in 1995, in line with its objectives.
- Total assets have grown by an average of 16.3% annually over the past four years while still maintaining a strong return on common equity.
- Despite the decrease in throughput levels on the mainline pipeline during 1998, 1999 and much of 2000, the liquids pipeline systems have recorded a 2.4% compound annual growth rate in throughput over the last four years.
- The gas distribution utility customer base in Ontario has maintained a growth rate of 3.8% per annum since 1995.
- Since the beginning of 1996, Enbridge has invested $5.6 billion in additions to property, plant and equipment, long-term investments and acquisitions of subsidiaries and joint ventures. These investments have been facilitated by continued access to capital markets. Over the last five years, Enbridge has raised $4.5 billion through debt and equity offerings in Canada and the United States.

Earnings Applicable to Common Shareholders (millions of dollars)

Return on Average Common Shareholders' Equity (%)

CONSOLIDATED

Financial Highlights

(millions of dollars; except per share amounts)	2000	1999	1998
Earnings Applicable to Common Shareholders			
Energy Transportation	**203.8**	211.6	153.3
Energy Distribution	**190.9**	99.5	100.3
Energy Services	**63.9**	(4.3)	(6.8)
International	**26.4**	28.7	24.3
Corporate	**(92.7)**	(47.6)	(30.2)
	392.3	287.9	240.9
Per Share Amounts			
Earnings	**2.54**	1.91	1.66
Dividends	**1.270**	1.195	1.120
Cash Provided from Operating Activities	**264.0**	495.1	312.4
Common Share Dividends	**202.1**	186.4	168.3

Earnings applicable to common shareholders for the year ended December 31, 2000 were $392.3 million, or $2.54 per common share, compared with $287.9 million, or $1.91 per common share, in 1999. The 36% increase in earnings primarily reflects the effects of reductions in income tax rates, solid operating performance of the Energy Distribution and Energy Services businesses, and higher contributions from gas transmission pipelines. These improvements were partially offset by higher financing costs and a one-time charge of $8.7 million related to Enbridge's merchant capacity on the Alliance and Vector Pipelines. In both 2000 and 1999, warmer than normal weather negatively affected Energy Distribution's results by $22.1 million and $31.3 million, respectively. The 1999 contribution for Energy Services includes a fifth quarter due to the timing of the unbundling of the retail products and services from Enbridge Consumers Gas. A gain recognized in 1999 related to the reduction in the Company's ownership interest in the Lakehead System did not recur in 2000.

The Federal and Ontario income tax rate reductions reduce the value of income tax assets and liabilities and the change is included in earnings in the year that the rate reduction is substantially enacted. Foreign exchange losses also resulted from the tax rate reductions as the Company had hedged U.S. dollar after-tax future cash flows based on previously enacted tax rates.

The $47.0 million improvement in 1999 earnings from 1998 was principally the result of the expansion of the liquids pipeline systems, completion of the Enbridge Athabasca System, increased investments in gas transmission pipelines and fees earned from operating the Jose Terminal in Venezuela. These improvements were partially offset by higher financing costs to support growth initiatives and the absence of an insurance settlement recorded in 1998.

Common share dividends paid over the last three years reflect both increases in the dividend rate and the number of common shares outstanding. As a result of sustained growth in earnings, quarterly dividends increased to $0.2875 per share in the third quarter of 1998, to $0.3025 per share in the second quarter of 1999 and to $0.3225 per share in the second quarter of 2000, representing increases of 5.5%, 5.2% and 6.6%, respectively.

ENERGY TRANSPORTATION

2000 Financial Results

(millions of dollars)	2000	1999	1998
Enbridge System	**98.3**	97.9	81.7
Lakehead System	**16.3**	18.9	25.9
Enbridge Athabasca System	**27.7**	23.9	13.5
Enbridge NW System	**10.7**	11.1	11.0
Alliance Pipeline	**28.4**	27.7	8.6
Vector Pipeline	**11.2**	5.5	1.4
Feeder and Other Liquids Pipelines	**14.1**	14.6	12.7
Loss on merchant capacity	**(8.7)**	–	–
Gain on Lakehead System	**–**	11.5	0.7
Other	**(0.3)**	0.5	(2.2)
Tax rate reductions	**6.1**	–	–
	203.8	211.6	153.3

The Energy Transportation segment includes the Company's core liquids pipeline operations, other liquids pipelines in Canada and the United States, investments in natural gas transmission pipelines, and midstream natural gas activities.

The mainline pipeline consists of the wholly-owned Enbridge System in Canada and the Lakehead System in the United States, in which the Company has a 15.3% interest. The mainline pipeline is the world's longest crude oil pipeline system and is the primary transporter of crude oil from Western Canada to the United States. It is the only pipeline that transports crude oil from Western Canada to Eastern Canada, serving all of the major refining centres in the province of Ontario as well as the Great Lakes region of the United States.

The Company also owns the Enbridge Athabasca System, which transports synthetic and heavy oils from northern Alberta to the pipeline hub at Hardisty, Alberta; the Norman Wells System (Enbridge NW System) which transports crude oil from Norman Wells, Northwest Territories to Zama, Alberta; a number of feeder pipelines which deliver crude oil to the Enbridge System; and investments in a number of strategic crude oil pipelines in the United States.

Natural gas transmission pipeline activities include the investments in the Alliance and Vector Pipelines. The Company owns a 21.4% interest in the Alliance Pipeline, a 3,000-kilometre (1,800-mile) pipeline which commenced operations in December 2000 and transports liquids-rich natural gas from Fort St. John, British Columbia, to Chicago, Illinois. The Company operates and holds a 45% investment in the Vector Pipeline, which transports natural gas from Chicago to Dawn, Ontario and commenced operations in December 2000. Alliance and Vector currently have the capacity to deliver 1.3 billion cubic feet per day (bcfd) and 0.7 bcfd of natural gas, respectively.

Energy Transportation earnings have decreased $13.9 million from 1999, before the effect of tax rate reductions. The core liquid operations posted solid operating results and construction on Vector and Alliance generated a higher allowance for equity funds during construction (AEDC). This business was affected by a one-time charge of $8.7 million (after tax) for the Company's merchant capacity commitment on Alliance and Vector for the years 2000 through 2003. In 1999, an $11.5 million after-tax gain related to a reduction in the Company's ownership interest in the Lakehead System was recorded.

The 1999 earnings were $58.3 million higher than 1998 stemming from system expansions and increased earnings from Alliance and Vector because AEDC on rate base increased as construction progressed. The 1999 results also included a gain on the reduction in the Lakehead System ownership interest.

Enbridge System

Earnings from the Enbridge System increased slightly compared with 1999, primarily due to system expansions. Earnings also reflect sustained achievements under incentive tolling arrangements. Although throughput was lower in 2000, Enbridge System earnings are protected from changes in volumes through the provisions of the Incentive Tolling Settlement (ITS). The second phase of the System Expansion Program (SEP II) was completed in early 1999, while major portions of Terrace Phase I were put into service during 1999.

In April 2000, Enbridge and the Canadian Association of Petroleum Producers (CAPP) announced the details of a renewed incentive arrangement, which governs tolls on the Enbridge System. The ITS, which was approved by the National Energy Board (NEB) in June, expires on December 31, 2004 and extends the 1995 Incentive Tolling Agreement which expired at the end of 1999. The fundamentals of the extended agreement are consistent with the original agreement, allowing the Enbridge System and its customers to continue to share in cost savings.

Under the ITS, tolls are determined based on a starting point revenue requirement adjusted for 75% of the change in the Gross Domestic Product Implicit Price Index. The ITS continues to protect Enbridge System earnings from fluctuations in volumes and treats facility expansions as non-routine adjustments. It also incorporates incentive mechanisms for power cost savings.

The ITS allows the Enbridge System and its customers to continue to share in cost savings. In 2000, after-tax cost savings amounted to $4.4 million, providing a net benefit of $2.2 million to the Company (1999 – $9.5 million, 1998 – $9.0 million). After-tax cost savings are lower in 2000 since the ITS raised the threshold used to compute Enbridge base earnings by $7.6 million. The increase in base earnings, together with the $2.2 million of cost savings realized under the ITS, provides a benefit to Enbridge comparable with the $9.5 million of savings realized in 1999. Although 2000 sharing amounts appear lower, operating performance actually improved. Since the inception of incentive tolling arrangements in 1995, after-tax benefits of $70.4 million have been shared approximately 55% and 45% by Enbridge and industry, respectively. In addition, industry has realized an additional cumulative after-tax power cost savings guarantee of $1.5 million.

Deliveries[1]
(thousands of barrels per day)

By Product Type [1] (thousands of barrels per day)	**2000**	1999
Light Crude Oil	**1,083**	1,036
Medium and Heavy Crude Oil	**869**	774
Refined Products and Natural Gas Liquids	**212**	213
	2,164	2,023
By Destination [1]		
Prairies	**437**	447
United States	**1,156**	1,028
Eastern Canada	**571**	548
	2,164	2,023

1 Includes deliveries by the 15.3% owned Lakehead System

Lakehead System

The decreased contribution from the Lakehead System is a result of throughput reductions and increased operating costs associated with recent expansion programs. Throughput levels continue to be less than in previous years as the timing of the expected recovery in crude oil production levels in Western Canada continues to lag increases in commodity price. Throughput volumes began to improve in the fourth quarter of 2000. Enbridge's earnings were not materially affected by the results from the Lakehead System due to its level of ownership, which at the end of 2000, was 15.3%.

Enbridge Athabasca System

Increased earnings from the Enbridge Athabasca System reflect a higher average investment base in 2000 as a result of additional tankage facilities. This pipeline commenced operations in April 1999. AEDC was recorded in 1998 and early 1999.

The Company has entered into a long-term contract with the major shipper on the Enbridge Athabasca System. The shipper has committed annual volumes at specified tolls over a thirty-year term. Contract terms are similar to a traditional cost-of-service tolling methodology and provide for a return that approximates the NEB's multi-pipeline rate of return in effect at the time of the agreement. Earnings are recognized on a cost-of-service basis with any difference between recorded revenue and cash tolls recorded as deferred transportation revenue. Any deferred amounts will be recovered over the remaining term of the contract.

Enbridge NW System

Earnings from the Enbridge NW System have been consistent over the past three years. Based on an agreement with the primary shipper, return on rate base is a product of a deemed equity ratio of 55% and the NEB multi-pipeline rate of return on common equity. Returns have been reduced as a result of a decline in rate base over the past three years, but incentive cost savings have largely offset the decline.

Gas Transmission Pipelines

Equity earnings from Alliance Pipeline are slightly higher than 1999 and significantly higher than 1998, reflecting increases in rate base as construction of the pipeline progressed. Higher AEDC

from the Vector Pipeline was earned in 2000, also because the investment base increased as construction neared completion.

Aux Sable

Enbridge owns a 21.4% interest in the Aux Sable facilities, which process natural gas delivered through the Alliance Pipeline. Aux Sable commenced operations on December 1, 2000 and initially will process up to 1.6 bcfd of natural gas. These facilities generated a loss for the period as a result of the unfavourable differential between natural gas and natural gas liquids prices. Given current economic conditions, the Company expects these losses to continue in 2001.

Outlook

Liquids Pipelines

Volumes of liquids transported are forecast to increase in 2001. Increased drilling activities by producers due to the sustained improvement in crude oil prices should result in increased production in the Western Canadian Sedimentary Basin (WCSB). Although fluctuations in volumes do not impact the majority of net earnings from the Enbridge System due to provisions in the ITS, the Company's other liquids pipelines benefit from higher volumes.

Enbridge System

In 2000, the Company announced that it would proceed with Phase II of the Terrace expansion program, which will increase capacity of the Enbridge System by 40,000 barrels per day. This expansion will add 123 kilometres (77 miles) of 914-millimetre (36-inch) pipeline over three separate construction segments located between the Hardisty, Alberta and the Kerrobert, Saskatchewan terminals. Phase II will be constructed and operated by Enbridge. Construction is expected to commence in the last half of 2001 with an in-service date in the first half of 2002. The expansion is expected to cost $120 million, most of which will be expended in 2001. A decision to proceed with the third phase of the Terrace expansion is subject to ongoing discussions with CAPP. Phase III involves construction of 193 kilometres (120 miles) of new 914-millimetre (36-inch) pipeline on the Lakehead System between Clearbrook, Minnesota and Superior, Wisconsin. Phase III would increase capacity by approximately 140,000 barrels per day.

Increased volumes will improve utilization of the SEP II expansion. The negotiated contract with CAPP provides for a rate of return that changes with utilization, subject to a minimum and maximum rate of return of 7.5% and 15.0%, respectively. During 2000, Enbridge earned a 7.5% return on SEP II.

The ITS allows Enbridge and its customers to share in cost savings achieved by the Company. To ensure continued savings for customers and increased returns for shareholders, the Company will continue to focus on operational excellence.

Lakehead System

Expansions on the Enbridge System and increases in volumes shipped are expected to have favourable effects on the financial results of the Lakehead System. Since earnings from the Lakehead System are volume-sensitive, increases in volumes should have a positive impact on net earnings. Volumetric impacts are mitigated by the size of the Company's investment in Lakehead, which, at the end of 2000, was 15.3%.

CAPP has approved the Griffith Lateral project from Mokena, Illinois to Griffith, Indiana. This extension will allow for better access to the Chicago market and provide operational flexibility.

Enbridge Athabasca System

Earnings from the Enbridge Athabasca System will be favourably impacted in 2001 and beyond by two significant projects. First, the Company expects to complete construction of additional tankage facilities at Fort McMurray during 2001 that will generate additional earnings. In addition, new facilities will be built to transport up to 30,000 barrels per day of bitumen produced by Petro-Canada from its MacKay River project, near Fort McMurray, to the Athabasca terminal, beginning in late 2002. At the terminal, bitumen will be blended with diluent and up to 60,000 barrels per day of blended product will be transported on the Enbridge Athabasca System to Hardisty, Alberta.

The Enbridge Athabasca System is the only liquids pipeline directly linking both the Athabasca and Cold Lake Oil Sands deposits with the pipeline transportation hub at Hardisty. With a capacity of 570,000 barrels per day, the pipeline is well-positioned to carry more of the region's oil sands and heavy oil production in the future.

Capital Expenditures

The Company plans to spend approximately $250 million for capital expenditures in 2001, primarily related to the expansion of the liquids pipelines systems.

Supply

Liquids supply from the WCSB is expected to increase significantly during the next ten years. Increases in conventional heavy oil and bitumen are expected to more than offset decreases in light crude volumes. Conventional oil reserves in Western Canada declined by 3.7% in 1999 to 3.5 billion barrels. Approximately 70% of 1999 conventional oil production was replaced, despite low exploration activity levels resulting from soft oil prices during 1999. Reserves from Alberta oil sands increased by 2.3 billion barrels to 5 billion barrels of developed, currently producing projects or projects on which significant expenditures are being incurred. It is estimated that there are 300 billion barrels of bitumen ultimately recoverable in the oil sands. The increase in heavy oil and bitumen reserves from the oil sands projects is supported by producers' proposed investments in the oil sands in northern Alberta.

Gas Transmission Pipelines

Alliance and Vector commenced service late in the fourth quarter of 2000. Thus, 2001 will be the first full year of operations for these pipelines.

Alliance Pipeline

Net earnings are expected to increase in 2001, as earnings in prior years were related to a lower average rate base. The Company's capital investment in Alliance was virtually complete at the end of 2000.

Vector Pipeline

Vector is expected to operate below its design capacity for the next three years. Consequently, earnings during this period will be at a level commensurate with throughput. Additional investments in Vector are expected to be minimal.

Supply and Demand for Natural Gas

Natural gas reserves in the WCSB decreased slightly in 1999 to 58.1 trillion cubic feet. Approximately 83% of natural gas production was replaced in 1999. Improved industry cash flow due to strong oil and gas prices has spurred extensive drilling programs resulting in a forecast 8,000 gas well completions in 2000. Demand for natural gas in North America is expected to grow at an annual rate of 2.3% until 2010. Over 75% of this growth will be for electricity generation requirements.

Northern Development

BP, Exxon and Phillips reached an agreement to jointly study the issues, opportunities and challenges of developing the pipeline transportation infrastructure to bring Alaskan gas supply to market. The four most prominent reserve owners in the Mackenzie Delta (Imperial Oil, Gulf Canada, Shell and Mobil) have been working on their own feasibility study to bring the gas supply to market. The Alaska producer study is considering two routes: a southern route and the over-the-top "northern" route, with the over-the-top route linking with the Mackenzie Delta project and bringing the combined supply to southern markets. Producer feasibility studies that will determine routing and timing, as well as the parties to be involved, are currently underway.

Over the past year, Enbridge has been very active with the producers, governments, aboriginal peoples and other stakeholders in both Alaska and Canada's Mackenzie Delta to ensure that they are aware of Enbridge's experience, strengths and ability to add value to any pipeline project that will bring northern gas to market.

Business Risks

Liquids Pipelines

Supply and Demand

Enbridge's liquids pipelines are dependent upon the supply of crude oil and other liquid hydrocarbons from Western Canada. Supply, in turn, is dependent upon a number of variables, one of which is the price of crude oil, which increased substantially during 2000. Drilling activity and production volumes have not responded as quickly. It is encouraging that producers have requested the second phase of Terrace and the extension of the Lakehead System, which suggests that increased volumes are anticipated.

Demand for WCSB crude oil and other hydrocarbons is affected by other sources of delivery into the same areas served by Enbridge's liquids pipelines. Existing pipeline capacity for the delivery of crude oil to the United States Midwest, the primary market served by Enbridge, exceeds current refining capacity. Historically, however, refiners have preferred Western Canadian light crude to other product. Volumes on Line 9, which transports light crude to Ontario from Montreal, Quebec, are replacing Canadian and U.S. domestic production and Gulf Coast imports in the Ontario market. These volumes were previously transported

on the Enbridge and Lakehead Systems but any volume loss is expected to be more than offset by increasing demand in the United States Midwest.

Regulation

The Company's earnings from liquids pipelines are determined, in part, by the actions of various regulators, including the NEB. The NEB prescribes a benchmark multi-pipeline rate of return on common equity. Accordingly, to the extent the NEB rate of return fluctuates, a portion of the earnings of the Enbridge System are impacted. The Company believes that regulatory and business risks have been reduced by the negotiation of operating agreements with its customers.

Competition

The Enbridge System transported approximately 65% of total Western Canadian crude oil production in 2000 and provides approximately 70% of capacity for the transportation of Western Canadian crude oil out of Canada. Competition among common carrier pipelines is based primarily on transportation charges, access to producing areas and proximity to end users. Express Pipeline, which is capable of transporting up to 170,000 barrels per day, transports Western Canadian crude oil to the U.S. Rocky Mountain region and the Patoka/Wood River area of Illinois. The Company believes that the Enbridge System is more attractive to Western Canadian producers shipping to the same market areas because it offers competitive tolls and shorter transit times and does not require shipper volume commitments.

Increased competition could arise from new feeder systems that compete directly with the Company's feeder pipelines. Alternative pipeline competition has increased in the Alberta oil sands regions by companies negotiating to provide supply to Hardisty.

Environment and Safety

Enbridge is committed to ensuring the safety of the public and protecting the environment. Pipeline failures or ruptures are an inherent risk of operations, which could result in environmental damage or personal injury. Enbridge has an extensive program to test system integrity, which includes the development and use of predictive and detective in-line inspection tools. Maintenance, excavation and repair programs direct resources to the areas of greatest benefit and pipe replacement and repair programs are used when required.

ENERGY DISTRIBUTION

2000 Financial Results

(millions of dollars)	**2000**	1999	1998
Enbridge Consumers Gas	**76.6**	76.6	77.0
Noverco	**17.2**	17.6	17.7
Enbridge Gas New Brunswick	**3.4**	–	–
Other distribution operations	**5.8**	5.3	5.6
Tax rate reductions	**87.9**	–	–
	190.9	99.5	100.3

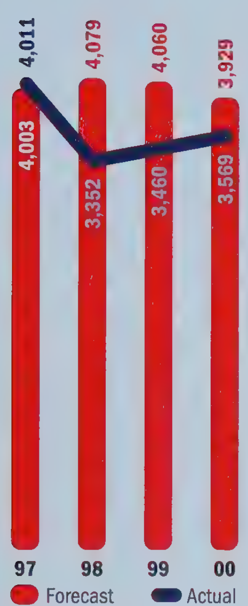
Energy Distribution includes the gas distribution operations of Enbridge Consumers Gas, other gas distribution activities in other franchise areas, as well as electricity distribution activities in the City of Cornwall.

Enbridge Consumers Gas (ECG) is Canada's largest natural gas distribution company and has been distributing natural gas to customers for more than 150 years. ECG serves over 1.5 million customers in central and eastern Ontario, southwestern Quebec and parts of northern New York State. Its principal regulator is the Ontario Energy Board (OEB).

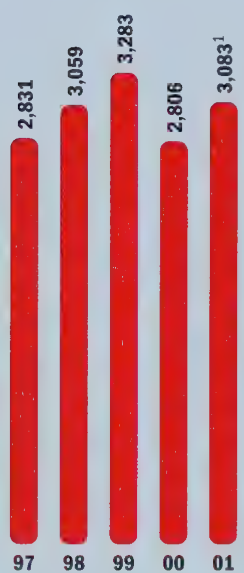
In the rate-making process, the OEB determines the cost of providing service and approves a rate structure designed to collect that cost in total revenue from the Company's various classes of customers. The cost of providing service includes the cost of gas commodity purchases and transportation costs, operation and maintenance costs, depreciation, income taxes, and the cost of capital used to finance all assets used in gas distribution, storage, transmission, and other activities or programs within the ambit of regulation (i.e., rate base). The cost of capital, which is expressed as an allowable rate of return on rate base, is designed principally to meet the cost of interest on long- and short-term debt, satisfy the dividend requirements of preference shareholders, and provide the common shareholder with the opportunity to earn a return on investment. ECG does not profit from the sale of the natural gas commodity.

As customers are billed based on actual volumes, ECG's ability to recover the allowed rate of return depends upon achieving forecast distribution volumes under "normal" weather conditions. Other differences in realized returns may result from variances between OEB-approved and actual capital expenditures, operating expenses, interest expense, and income taxes.

Enbridge Consumers Gas Degree Day Deficiency (degrees Celsius)

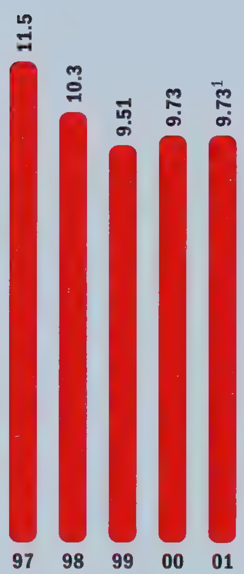


Enbridge Consumers Gas Rate Base (millions of dollars)



1 Subject to regulatory approval

Enbridge Consumers Gas Return on Common Equity (%)



1 Subject to regulatory approval

The Company also provides gas distribution services in New Brunswick through its 63% ownership of Enbridge Gas New Brunswick and in Quebec through a 32% investment in Noverco. Noverco has a 77% interest in Gaz Métropolitain and Company, Limited Partnership which is the major gas distributor in Quebec.

Enbridge Consumers Gas

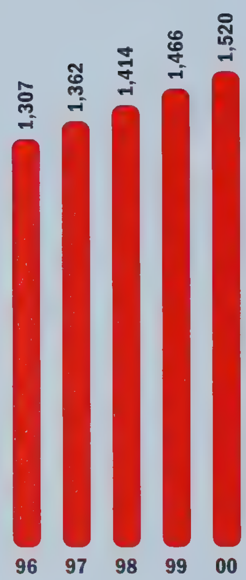
Results for Enbridge Consumers Gas for 2000 reflect very strong operating performance as the negative effect on earnings from the transfer (unbundling) of the retail products and services operations to Energy Services on October 1, 1999 has been completely offset. The 1999 results include the results of the unbundled services. Increases to earnings include a higher approved return on common equity, the favourable impact of strong economic conditions in Ontario, slightly colder weather than in 1999 and cost savings initiatives. The effect of weather is measured by degree day deficiency and is calculated by accumulating, from October 1, the total number of degrees each day by which the daily mean temperature falls below 18 degrees Celsius. The weather was 109 degree days colder in 2000 than 1999, but 360 degree days, or 9.2%, below forecast degree days based on normal weather. On a weather-normalized basis, 2000 earnings would increase by $22.1 million.

Enbridge Consumers Gas earnings for 1999 were consistent with 1998 as both years reflected warmer than normal weather with similar sendout volumes. In terms of degree day deficiency, the weather was 108 degree days colder in 1999 than 1998, but 600 degree days, or 14.8% warmer than forecast based on normal weather. On a weather-normalized basis, earnings would increase by $31.3 million (1998 – $39.8 million).

Effective for three years starting in fiscal 2000, Enbridge Consumers Gas is regulated under a Performance-Based Regulation plan (PBR plan). The PBR plan uses a formula to calculate the level of operation and maintenance costs recoverable in rates. The PBR plan recognizes customer growth, inflation and events beyond the control of management, while guaranteeing ratepayers an annual productivity credit of 1.1%. In return, Enbridge Consumers Gas is allowed to retain the savings during the PBR plan period if it achieves lower operation and maintenance costs than those calculated using the formula.

Gas Distribution
Volume of Gas Distributed
(billions of cubic feet)

Gas Distribution
Number of Active
Customers (thousands)



The change in the allowed rate of return for ECG is based on the forecast change in yield on Canadian government long-term bonds. For the 2000 fiscal year, the allowed rate of return for Enbridge Consumers Gas was 9.73%, compared with 9.51% in 1999 and 10.3% in 1998 on a deemed equity component of 35%. OEB-approved rate base for fiscal 2000 was $2.8 billion (1999 – $3.3 billion, 1998 – $3.1 billion). The decrease in rate base in 2000 is attributable to the transfer of the retail products and services business to Energy Services, partially offset by increases in rate base due to growth in the number of active customers.

Over the last three years, Enbridge Consumers Gas added 158,000 customers, including approximately 54,000 customers in 2000. This growth was attributable to the continued popularity of natural gas among homeowners and builders due to its price advantage and environmental benefits over other forms of energy.

Noverco

Equity earnings from Noverco are comparable in each of the years 1998 through 2000. Variations from normal weather do not effect Noverco's earnings as the Quebec regulator holds utilities weather neutral. A significant portion of the Company's earnings from Noverco is in the form of dividends on its preference share investment, which is based on the yield of 10-year Government of Canada bonds plus 4.45%. The weighted average yield on the preference shares, which is reset annually, was 10.2%, 10.0% and 10.6% for 2000, 1999 and 1998, respectively.

Enbridge Gas New Brunswick

Construction of new natural gas distribution facilities in the province of New Brunswick commenced in the third quarter of 2000. Earnings primarily represent AEDC during the construction period.

Outlook

The financial results of the Energy Distribution business are dependent on weather conditions because the rate-making methodology leaves Enbridge Consumers Gas exposed to annual variances in forecasted distribution volumes if the weather is other than normal.

Performance-Based Regulation

Recent changes in regulation reflect the trend in North America towards incentive or performance-based regulation. The OEB expects the Company to develop, in consultation with stakeholders, a comprehensive PBR plan (CPBR) by the end of the three-year term of the current PBR plan. A CPBR plan would replace the current PBR formula covering operating and maintenance costs with a broader formula including capital costs, broaden the incentive envelope and provide additional opportunity to increase earnings from efficiency gains, permit Enbridge Consumers Gas to set rates within certain limits, and provide flexibility to adjust prices within these limits. The CPBR plan is in the early stages of development.

Direct Purchase

Before the advent of deregulation of the commodity price in October 1985, Enbridge Consumers Gas supplied natural gas to 100% of its customers. In 2000, supplied gas amounted to 37% of the gas distributed to customers (1999 – 37%, 1998 – 34%). The remaining gas supply was purchased directly by customers or supplied by independent brokers or marketers. Net earnings are not affected by the customer's choice of gas commodity supplier, provided changes are incorporated in the volume underlying the rate application. Enbridge Consumers Gas currently intends to continue to provide all customers the option of purchasing their natural gas directly from the utility.

Reshaping the Utility

After unbundling the retail and shared services businesses to affiliated companies, Enbridge Consumers Gas operations consist of the core utility distribution and related operations. Enbridge Consumers Gas is currently engaged in focussing on and redefining core distribution processes, with a mandate to create an operationally excellent organization, positioned to deliver value to its customers, employees, business partners and shareholders. Implementation of this initiative is taking place over the next one to two years.

Capital Expenditures

Capital expenditures for Energy Distribution are planned to be about $255 million in 2001, primarily for systems expansions and core maintenance. Consistent with prior years, Enbridge Consumers Gas expects to add about 50,000 new customers in 2001. Enbridge Gas New Brunswick plans to spend approximately $16 million on expansion, primarily in the municipalities of Moncton, Fredericton and St. John.

Business Risks

Regulation

Enbridge Consumers Gas is subject to the regulatory authority of the OEB, which regulates storage, transmission and distribution of natural gas in Ontario. Rates charged by Enbridge Consumers Gas for such services and the allowed rate of return on debt and equity capital are also subject to OEB approval. Timely and adequate rate relief allows Enbridge Consumers Gas to recover the costs of providing and maintaining the quality of its service. The current PBR regime provides an opportunity to earn more than the allowed rate of return on rate base if operating efficiencies greater than the PBR plan formula are achieved. The recovery of natural gas and transportation costs incurred to supply commodity customers is subject to Enbridge Consumers Gas' ability to demonstrate prudence with respect to its natural gas purchase activities to the OEB.

Accuracy of Forecasts

The forward test year method of rate-making anticipates the volumes distributed by class of customer, the expected cost of capital, and total operation and maintenance expenses. Consequently, accuracy in the forecasting process should ensure that any changes in the cost of service will be recovered in rates for the next year.

Volume Risk

Since customers are billed based on volumes distributed, the ability of Enbridge Consumers Gas to collect its total revenue requirement depends upon achieving the forecast distribution volume. The probability of realizing such volume is contingent upon three key variables: weather; economic conditions and the number of customers.

Sales and transportation of gas for customers in the weather-sensitive residential and commercial sectors account for approximately 73% of total distribution volume. Weather during the year, measured in degree days, can have a significant impact on distribution volume since a major portion of the gas distributed to these two markets is used for space heating. Sales and transportation service to large volume commercial and industrial customers is more susceptible to prevailing economic conditions. These customers also may have the capability to switch to an alternate fuel, so volumes may be affected by the prices of competitive sources of energy.

Cost of Gas

Gas supply contracts have indexed pricing structures responsive to supply and demand conditions in the North American natural gas markets. The acquisition of gas through short-term or spot purchases is subject to market-driven price fluctuations. The Company mitigates a portion of the price exposure in the cost of gas in accordance with an OEB-approved natural gas price risk management program. ECG is obliged to demonstrate the prudence of its supply management program. Historically, ECG has been able to do so and the OEB has approved the recovery of the actual cost of gas from customers.

ENERGY SERVICES

2000 Financial Results

(millions of dollars)	2000	1999	1998
Enbridge Services & Other	**31.8**	(4.3)	(6.8)
Tax rate reductions	**32.1**	–	–
	63.9	(4.3)	(6.8)

The Energy Services business includes operations directed at achieving the Company's initiative to provide integrated energy products and services to retail and commercial customers in Ontario and Philadelphia, Pennsylvania. These operations

provide a complementary portfolio of retail energy products and services, including the sale and maintenance of heating and air conditioning appliances and equipment, fireplaces and financing for those appliances. This business also provides a water heater rental program that was a primary component of the ancillary business activities unbundled from the regulated utility in the fourth quarter of 1999.

Energy Services earnings of $31.8 million, before the effect of the tax rate reductions, represent a $36.1 million improvement from the 1999 loss of $4.3 million. Earnings for 2000 include a full-year contribution from the retail products and services business activities unbundled from Enbridge Consumers Gas, whereas the 1999 results reflect a contribution for only one quarter, following the unbundling transaction. During the second quarter of 2000, the Company decided to close its retail store operations in British Columbia. Costs to complete the closure have been reflected in earnings.

Enbridge Commercial Services commenced operations on January 1, 2000 and provides information technology, fleet, call management centre, customer care and billing services to Enbridge Services, Enbridge Consumers Gas and others.

While the unbundled business activities represent a significant component of the earnings growth, there have been additional positive developments. These include increased rental revenues, the expansion of services, increased market penetration and service area development, and cost reductions as a result of productivity gains.

Expansion and diversification of the services offered by this business are progressing. Enbridge believes that its measured approach to acquisitions will provide greater returns in the long-term and is a prudent strategy for successful growth.

The loss in 1999 is comparable with 1998 with the exception of the positive contribution related to the operations unbundled in the fourth quarter of 1999.

Outlook

Enbridge Services may face challenges in 2001 as the rising cost of the gas commodity may result in diversion of otherwise disposable income from appliances to the commodity cost of natural gas for home heating. However, higher natural gas prices may provide additional incentive for energy conservation and an increased market for high efficiency furnaces. Continued expansion of the residential water heater rental operations and continued growth in the heating, ventilating, air conditioning (HVAC) sales and service business is expected, which will provide stability to earnings. The 17 Enbridge-owned and operated Ontario retail stores will continue to contribute to profitability, while also acting as a sales channel for the core HVAC service business. Enbridge Services also plans to expand both its product offerings and the markets it serves.

Business Risks

Competition

Although the marketplace includes many large, recognizable companies, no one company has clearly come to the forefront as a market leader in the new non-regulated environment. The appliance sales marketplace is subject to strong price competition, including many price discounters. Enbridge believes that its strategy of service integration provides a competitive advantage in the market it serves.

Water Heater Rentals

The unbundling transaction resulted in the transfer of the water heater rental assets to the Energy Services business. The historically low number of water heaters returned to the Company could be challenged by the increasing levels of competition in Ontario.

INTERNATIONAL

2000 Financial Results

(millions of dollars)	**2000**	1999	1998
OCENSA/CITCOL	**30.3**	24.0	24.8
Jose Terminal	**1.5**	6.3	–
Consulting, business development costs and other	**(4.5)**	(1.6)	(0.5)
Tax rate reductions	**(0.9)**	–	–
	26.4	28.7	24.3

International includes earnings from the investment in the Colombia, South America crude oil pipeline (OCENSA) as well as fees earned as operator of the Jose Terminal in Venezuela. The Company also provides technology and consulting services through Enbridge Technology Inc.

The Company owns a 24.7% interest in OCENSA, which includes an additional 7.2% equity interest acquired in the third quarter of 2000. The acquisition also included the purchase of the remaining 50% interest in CITCOL, the company that operates OCENSA through the provision of technical and managerial services. Enbridge is now the sole operator of the OCENSA pipeline, tankage and marine loading system that transports 500,000 barrels per day of crude oil from the Cusiana and Cupiagua oilfields in the central interior of Colombia to the Port of Coveñas on the Caribbean coast. Enbridge earns a fixed rate of return on its OCENSA investment, plus operating and incentive fees.

The $6.3 million increase in OCENSA earnings is the result of the higher ownership interest. The fees earned to operate the Jose Terminal decreased in 2000, compared with 1999, due to a change in the interim operating agreement in late 1999. Consulting and technical advisory service fees are lower in 2000 due to the completion of a significant contract in Mexico in 1999 and the development of new services.

The 1999 earnings are consistent with 1998 with the exception of operating fees from the Jose Terminal, which commenced in 1999.

Outlook

The International business will continue to focus on select countries in key regions based on global trends in supply and demand. Specifically, focus will be placed on Latin America, which will continue to be the key area of interest. OCENSA continues to be the core international holding. In addition, Enbridge reached a term sheet agreement with PDVSA, the Venezuelan state oil company, that provides for the continuation of the operation of the Jose Terminal by the Company and its partners for a 10-year term ending in 2011.

International has focused on "grass roots" infrastructure projects. Increased international asset rationalization and the changing corporate strategies of multinationals are also expected to present investment and acquisition opportunities that fit the Company's investment criteria.

The technology and consulting business is expected to provide support in connection with identification and development of equity participation projects, while increasing the revenue contribution through new technology and consulting applications.

Business Risks

The International business is subject to risks related to political and economic instability, currency volatility, market volatility, government regulations, foreign investment rules, security of assets, and environmental considerations. The Company assesses and monitors international regions and specific countries on an ongoing basis for changes in these risks. Risks are mitigated by Enbridge's contractual arrangements to operate the assets, regular analysis of country risk and foreign currency hedging and insurance programs.

CORPORATE AND OTHER

(millions of dollars)	**2000**	1999	1998
Corporate Financing	**(65.2)**	(49.9)	(36.9)
Other	**9.6**	2.3	6.7
Loss on foreign exchange contracts	**(15.6)**	–	–
Tax rate reductions	**(21.5)**	–	–
	(92.7)	(47.6)	(30.2)

The Corporate and Other segment includes new business development activities and financing costs. Corporate and Other costs increased by $8.0 million to $55.6 million in 2000, before the impact of tax rate reductions and the loss on foreign exchange contracts.

Financing costs increased due to increased average debt and preferred securities required to fund the Company's business growth and investments. These costs are not allocated back to the specific business operations. When 1999 is compared with 1998, Corporate and Other costs increased by $17.4 million, also related to financing expansion of business operations.

In December 2000, the federal government substantially enacted a 6% reduction in corporate tax rates. This reduction, combined with previous federal and provincial reductions, has resulted in certain of the Company's anticipated U.S. dollar cash flows being overhedged for accounting purposes. The derivative financial instruments related to the overhedged position, primarily long-term forward foreign exchange contracts, must be valued at market prices and any gain or loss charged to income for accounting purposes. Accordingly, a $15.6 million loss (after tax) was recorded in the fourth quarter of 2000.

Capital Expenditures, Investments and Acquisitions
(millions of dollars)

By Business Segment

(millions of dollars)	2000	1999	1998
Energy Transportation	**555.3**	704.4	1,140.7
Energy Distribution	**250.9**	370.0	469.0
Energy Services	**24.9**	53.8	14.2
International & Corporate	**104.6**	13.0	21.6
	935.7	1,141.2	1,645.5

Enbridge is committed to achieving growth in its existing businesses and through development of complementary businesses. The Company has entered into a strategic alliance with Global Thermoelectric to develop and distribute natural gas-fuelled fuel cell products. Enbridge invested $25.0 million to fund further technology, design and product development work required to reach a commercial launch. This investment will provide Enbridge exclusive distribution rights in Canada for the residential units.

LIQUIDITY AND CAPITAL RESOURCES

The Corporation's cash generated from operations, access to capital markets in Canada and the United States, and approximately $2.2 billion in unutilized credit facilities provide sufficient resources to finance growth opportunities, debt repayments and dividend distributions.

Operating Activities

Cash provided from operating activities before changes in operating assets and liabilities is $660.4 million for the year ended December 31, 2000, compared with $626.9 million and $490.4 million for 1999 and 1998, respectively. The increase is primarily a result of the full year operations of the Enbridge Athabasca System and Enbridge System expansions, as well as the addition of tankage at the Athabasca facility. Operating cash flows in 1999 increased over 1998 levels primarily as a result of commissioning of additional liquids pipeline projects during the year.

Additional funding requirements for operating assets and liabilities occurred in 2000 reflecting the expansion of business operations and higher costs associated with gas in storage. Such working capital changes were lower in 1999 when compared with 1998 due to the reduced level of investing activities.

Investing Activities

Cash used in investing activities for the year ended December 31, 2000 is $949.8 million compared with $1,205.7 million in 1999. The major elements of the 2000 capital spending program were the continued growth of core businesses, operational efficiency, and integration along the energy value chain. Included in long-term investments were additional investments of $326.7 million in the Vector Pipeline (1999 – $24.6 million, 1998 – $23.0 million), $142.1 million in the Alliance Pipeline (1999 – $138.0 million, 1998 – $105.4 million), and a $25.0 million investment in Global Thermoelectric. During 2000, the acquisition of an additional 7.2% in OCENSA and the remaining 50% of CITCOL ($77.2 million) was also completed.

Capital expenditures have decreased in 2000, reflecting the commissioning of recent pipeline expansions. In 1999, expenditures primarily related to system expansions in Energy Transportation, including construction of the Enbridge Athabasca System ($160.3 million), Phase I of the Terrace expansion ($119.4 million), and Line 9 Reversal ($18.0 million). Energy Distribution continued core maintenance and system expansion throughout the period 1998 to 2000.

Financing Activities

Over the three year period, the Corporation's level of financing activities also reflected its growth and investment strategies.

Funding sourced from debt or equity is determined primarily on the basis of the capital structure appropriate for each business. Certain of the Corporation's regulated pipeline and gas distribution operations issue long-term debt to finance capital additions.

This external financing may be supplemented by debt or equity injections from the parent company. Debt, and equity when required, related to non-regulated activities have been issued mainly to finance business acquisitions and investments in subsidiaries. Funds for debt retirements are generated through cash provided from operating activities, as well as through the issue of replacement debt.

During 2000, investing activities in regulated operations were financed primarily through operating cash flows. Additional medium term notes were issued to finance equity investments and other non-regulated activities. During 2000, a public common share issue generated net proceeds of $144 million.

During 1999, debt was issued within regulated entities, primarily to refinance maturing debt and investing activities. Corporate capital, primarily Preferred Securities, medium term notes and variable rate financing, was utilized to finance equity investments in Alliance, Vector and AltaGas. In 1998, the Energy Transportation segment issued debt to finance the Enbridge System expansions, while the Energy Distribution segment issued debt to finance its core system expansion. Non-regulated debt, Preferred Shares and a common equity offering were issued to finance the investment in Alliance and other acquisitions.

RISK MANAGEMENT

Operational Risk

As Enbridge continues to diversify its energy transportation and service businesses in North America and internationally and expands its non-regulated businesses, the risk profile of the Company may change. Entry into non-regulated businesses imposes greater economic exposure and requires more "at risk" capital to be spent. Analysis and control procedures and the Company's expectation of higher returns from these businesses mitigate or justify such risk. The Company's exposure to commodity prices, specifically the spread between natural gas and natural gas liquids prices, increased in 2000 because of the commencement of operations at Aux Sable. Management actively manages and mitigates operational risks.

Financial Risk

Earnings and cash flows are subject to volatility stemming mainly from movements in the U.S./Canadian dollar exchange rate and interest rates. The rates for customers of Enbridge Consumers Gas are impacted by the price of natural gas. In order to manage these risks for both shareholders and customers, Enbridge uses a variety of derivative financial instruments to create offsetting positions to specific exposures. The Company does not use derivative financial instruments to create speculative positions. In implementing its hedging programs, the Company has established analysis and execution procedures, which require formal approval of either the Board of Directors or a committee of senior management. Ongoing monitoring and senior management reporting procedures are in place. Details of the financial instruments used and outstanding are provided in Note 9 to the consolidated financial statements.

Derivative financial instruments are entered into at inception only to manage price risk. In the case of foreign currency cash flow hedges, the principal amounts of the financial instruments are grossed up to account for income taxes so that a proper matching of after-tax amounts is achieved.

Foreign Exchange

In 1997, the Company established a hedging program to eliminate 80% to 100% of the long-term exposure related to U.S. dollar denominated investments. At December 31, 2000, future cash flows of approximately U.S.$60 million per year (1999 and 1998 – U.S.$39 million) and redemption of the investment in OCENSA of U.S.$100 million (1999 and 1998 – U.S.$100 million) were hedged.

Interest Costs

To hedge against the effect of future interest rate movements on certain of its short-term and long-term debt, Enbridge enters into various interest rate derivative financial instruments. The Company also enters into interest rate instruments to hedge a portion of the interest cost in anticipation of future debt issues related to specific capital projects.

Natural Gas Prices

Enbridge hedges the cost of a portion of the future natural gas supply requirements of its gas distribution operations, as allowed by the OEB. As the cost of natural gas flows through to customers, the customer benefits from this risk mitigation strategy. The OEB monitors the policies, procedures and results of this hedging program.

MANAGEMENT REPORT

ENBRIDGE

To the Shareholders of Enbridge Inc.

Management is responsible for the accompanying consolidated financial statements and all other information in this Annual Report. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and necessarily include amounts that reflect management's judgement and best estimates. Financial information contained elsewhere in this Annual Report is consistent with the consolidated financial statements.

Management has established systems of internal control that provide reasonable assurance that assets are safeguarded from loss or unauthorized use and produce reliable accounting records for the preparation of financial information. The internal control system includes an internal audit function and an established code of business conduct.

The Board of Directors and its committees are responsible for all aspects related to governance of the Company. The Audit, Finance & Risk Committee of the Board, composed of directors who are not officers or employees of the Company, has a specific responsibility for ensuring that management fulfills its responsibilities for financial reporting and internal controls related thereto. The Committee meets with management, internal auditors and independent auditors to review the consolidated financial statements and the internal controls as they relate to financial reporting. The Audit, Finance & Risk Committee reports its findings to the Board for its consideration in approving the consolidated financial statements for issuance to the shareholders.

PricewaterhouseCoopers LLP, appointed by the shareholders as the Company's independent auditors, conducts an examination of the consolidated financial statements in accordance with Canadian generally accepted auditing standards.

Patrick D. Daniel
President & Chief Executive Officer
January 12, 2001

D.P. Truswell
Group Vice President & Chief Financial Officer

AUDITORS' REPORT

ENBRIDGE

To the Shareholders of Enbridge Inc.

We have audited the consolidated statements of financial position of Enbridge Inc. as at December 31, 2000 and 1999 and the consolidated statements of earnings, retained earnings and cash flows for each of the years in the three year period ended December 31, 2000. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2000 and 1999 and the results of its operations and cash flows for each of the years in the three year period ended December 31, 2000 in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Calgary, Alberta, Canada

Chartered Accountants

Comments by Auditors for U.S. Readers on Canada-U.S. Reporting Difference

In the United States, reporting standards for auditors require the addition of an explanatory paragraph (following the opinion paragraph) when there is a change in accounting principles that has a material effect on the comparability of the Corporation's financial statements, such as the change described in Note 10 to the consolidated financial statements. Our report to the shareholders dated January 12, 2001 is expressed in accordance with Canadian reporting standards which do not require a reference to such a change in accounting principles in the auditors' report when the change is properly accounted for and adequately disclosed in the financial statements.

PricewaterhouseCoopers LLP

Calgary, Alberta, Canada
January 12, 2001

Chartered Accountants

CONSOLIDATED STATEMENT OF EARNINGS

ENBRIDGE

(millions of dollars, except per share amounts)

Year ended December 31,	**2000**	1999	1998
Revenues			
Gas sales	**1,414.7**	1,374.2	1,416.1
Transportation	**1,032.1**	820.3	624.8
Energy services	**498.2**	499.5	305.5
	2,945.0	2,694.0	2,346.4
Expenses			
Gas costs	**966.5**	903.1	865.0
Operating and administrative	**870.3**	821.6	675.0
Depreciation	**453.5**	383.8	309.0
	2,290.3	2,108.5	1,849.0
Operating Income	**654.7**	585.5	497.4
Investment and Other Income (Note 12)	**185.6**	182.4	151.7
Interest Expense (Note 5)	**(427.7)**	(380.6)	(312.9)
Earnings Before Undernoted	**412.6**	387.3	336.2
Income Taxes (Note 10)	**1.9**	(87.5)	(95.3)
Earnings	**414.5**	299.8	240.9
Preferred Security Distributions (Note 6)	**(15.3)**	(5.0)	–
Preferred Share Dividends (Note 7)	**(6.9)**	(6.9)	–
Earnings Applicable to Common Shareholders	**392.3**	287.9	240.9
Earnings Per Common Share (Note 7)	**2.54**	1.91	1.66

The accompanying notes to the consolidated financial statements are an integral part of these statements.

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

(millions of dollars, except per share amounts)

Year ended December 31,	**2000**	1999	1998
Retained Earnings at Beginning of Year	**503.1**	407.6	336.7
Earnings Applicable to Common Shareholders	**392.3**	287.9	240.9
Effect of Change in Accounting for Income Taxes (Note 10)	**(112.0)**	–	–
Preferred Share and Preferred Security Issue Costs	**–**	(6.0)	(1.7)
Common Share Dividends	**(202.1)**	(186.4)	(168.3)
Retained Earnings at End of Year	**581.3**	503.1	407.6
Dividends Paid Per Common Share	**1.27**	1.195	1.120

The accompanying notes to the consolidated financial statements are an integral part of these statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

ENBRIDGE

(millions of dollars)

Year ended December 31,	2000	1999	1998
Cash Provided from Operating Activities			
Earnings	**414.5**	299.8	240.9
Charges/(credits) not affecting cash			
Depreciation	**453.5**	383.8	309.0
Equity earnings in excess of cash distributions	**(52.0)**	(29.7)	(13.8)
Gain on reduction of ownership interest	**–**	(18.2)	(1.0)
Loss on foreign exchange contracts	**24.5**	–	–
Future income taxes	**(157.1)**	5.5	(26.1)
Other	**(23.0)**	(14.3)	(18.6)
Changes in operating assets and liabilities	**(396.4)**	(131.8)	(178.0)
	264.0	495.1	312.4
Investing Activities			
Long-term investments	**(554.9)**	(340.8)	(181.0)
Acquisition of subsidiaries	**(16.5)**	(16.7)	(76.1)
Additions to property, plant and equipment	**(364.3)**	(783.7)	(1,388.4)
Changes in construction payable	**(5.7)**	(56.0)	61.9
Other	**(8.4)**	(8.5)	(6.8)
	(949.8)	(1,205.7)	(1,590.4)
Financing Activities			
Variable rate financing, net	**(105.2)**	204.3	349.0
Fixed rate debt issued	**965.4**	367.6	1,190.4
Fixed rate debt repayments	**(133.3)**	(183.1)	(360.8)
Non-controlling interests	**21.2**	100.0	–
Preferred securities issued	**–**	338.5	–
Preferred shares issued	**–**	–	123.3
Common shares issued	**175.4**	10.3	218.0
Preferred security distributions	**(15.3)**	(5.0)	–
Preferred share dividends	**(6.9)**	(6.9)	–
Common share dividends	**(202.1)**	(186.4)	(168.3)
	699.2	639.3	1,351.6
Increase/(Decrease) in Cash	**13.4**	(71.3)	73.6
Cash at Beginning of Year	**53.6**	124.9	51.3
Cash at End of Year	**67.0**	53.6	124.9

The accompanying notes to the consolidated financial statements are an integral part of these statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ENBRIDGE

(millions of dollars)

December 31,	2000	1999
Assets		
Current Assets		
Cash	**67.0**	53.6
Accounts receivable and other	**747.5**	678.5
Gas in storage	**519.8**	375.1
	1,334.3	1,107.2
Property, Plant and Equipment, net (Note 3)	**7,160.0**	6,770.7
Long-Term Investments (Note 4)	**1,689.5**	1,051.6
Deferred Charges and Other	**384.4**	278.7
	10,568.2	9,208.2
Liabilities and Shareholders' Equity		
Current Liabilities		
Short-term borrowings	**261.3**	155.4
Accounts payable and other	**420.7**	494.6
Interest payable	**109.3**	86.1
Current portion of long-term liabilities	**468.6**	174.4
	1,259.9	910.5
Long Term Debt (Note 5)	**5,592.7**	5,284.8
Deferred Credits	**69.2**	157.8
Future Income Taxes (Note 10)	**756.6**	254.5
Non Controlling Interests	**126.4**	100.0
	7,804.8	6,707.6
Shareholders' Equity		
Share capital		
Preferred securities (Note 6)	**340.4**	341.1
Preferred shares (Note 7)	**125.0**	125.0
Common shares (Note 7)	**1,852.6**	1,677.2
Retained earnings	**581.3**	503.1
Foreign currency translation adjustment	**(7.7)**	(23.9)
Reciprocal shareholding (Note 4)	**(128.2)**	(121.9)
	2,763.4	2,500.6
Commitments and Contingencies (Note 15)		
	10,568.2	9,208.2

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Approved by the Board:

Director

Director

Enbridge Inc. (Enbridge or the Company) is a leader in the transportation and distribution of energy and related services. These businesses are conducted through four operating segments; Energy Transportation, Energy Distribution, Energy Services and International. These operating segments are strategic business units established by senior management of the Company to facilitate the achievement of the Company's long-term growth objectives, to aid in resource allocation decisions and to assess operational performance.

Energy Transportation

Energy Transportation includes the shipment of crude oil and other liquid hydrocarbons through common carrier and feeder pipelines and investments in natural gas transmission pipelines in Canada and the United States. Other activities include natural gas gathering, processing, and related midstream activities.

Energy Distribution

The Energy Distribution business consists of gas utility operations which serve residential, commercial, industrial and transportation customers, primarily in central and eastern Ontario. This business also includes natural gas distribution activities in Quebec, New Brunswick and New York State, as well as electricity distribution in the City of Cornwall, Ontario.

Energy Services

The activities of Energy Services include retail appliance, fireplace and water heater sales and service, a water heater rental program, and mass market and commercial plumbing, heating, ventilation and air conditioning, appliance repair and electrician contractor services in Canada and the United States.

International

The Company's International business investigates and invests in energy transportation and related energy projects outside of Canada and the United States. This segment also provides consulting and training services related to proprietary pipeline operation technologies and natural gas distribution.

1. Summary Of Significant Accounting Policies

The consolidated financial statements of the Company are prepared in accordance with Canadian generally accepted accounting principles (Canadian GAAP). These accounting principles are different in some respects from United States generally accepted accounting principles (U.S. GAAP) and the significant differences are described in Note 16. Amounts are stated in Canadian dollars unless otherwise noted.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities in the financial statements. Actual results could differ from those estimates.

Basis of Presentation

The consolidated financial statements include the accounts of Enbridge Inc., its subsidiaries and its proportionate share of the accounts of its joint ventures. Investments in entities which are not subsidiaries or joint ventures, but over which the Company exercises significant influence, are accounted for using the equity method. Other investments are accounted for at cost.

The Company's Energy Distribution business is conducted primarily through a wholly-owned subsidiary, The Consumers' Gas Company Ltd. (Enbridge Consumers Gas). The fiscal year end of Enbridge Consumers Gas is September 30 and its results are consolidated on a quarter lag basis, which reflects the results of Enbridge Consumers Gas operations in accordance with its regulatory, tax and operating cycles. Accordingly, references to "December 31" mean the financial position of Enbridge Consumers Gas as at September 30 and references to the "year ended December 31" mean the results of Enbridge Consumers Gas for its fiscal year ended September 30.

Regulation

The Company's Energy Transportation and Energy Distribution activities are subject to regulation by various authorities, including the National Energy Board (NEB), the Federal Energy Regulatory Commission (FERC), and the Ontario Energy Board (OEB). These and other regulatory bodies exercise statutory authority over matters such as construction, rates and underlying accounting practices, and ratemaking agreements with customers. In order to achieve a proper matching of revenues and expenses, the timing of recognition of certain revenues and expenses in these operations may differ from that otherwise expected under generally accepted accounting principles.

Foreign Currency Translation

The functional currency of the Company's foreign operations, except for certain financing and investing operations, is the U.S. dollar. These operations are self-sustaining and translated into Canadian dollars using the current rate method. Gains and losses resulting from these translation adjustments are included as a separate component of shareholders' equity.

The functional currency of the Company's foreign financing and investing operations is the Canadian dollar. These operations are integrated with those of the parent company and are translated into Canadian dollars using the temporal method. Gains and losses resulting from these translation adjustments are included in earnings.

Revenue Recognition

Revenues are recorded when products have been delivered or services have been performed. The Energy Transportation and Energy Distribution operations are subject to regulation by various authorities and, accordingly, there are circumstances where revenues recognized do not match the cash tolls or the billed amounts. In these situations, revenue is recognized in a manner that is consistent with the underlying rate design as mandated by the regulatory authority or under the terms of enforceable, committed long-term delivery contracts.

Income Taxes

The regulated operations of the Company recover income tax expense based on the taxes payable method when prescribed by the regulators for ratemaking purposes or when stipulated in ratemaking agreements. Under this method, no provision is made for future income taxes as a result of temporary differences. This method is also followed for accounting purposes as there is reasonable expectation that all such taxes will be recovered through rates when they become payable. For all other operations, the liability method of accounting for income taxes is followed. Future income tax assets and liabilities are determined based on temporary differences between the tax basis of assets and liabilities and their carrying values for accounting purposes. The liability method requires future income tax assets and liabilities be measured at the tax rate that is expected to apply when the temporary differences reverse.

Cash

Cash includes short-term and demand deposits which are recorded at cost. The short-term deposits are highly marketable securities with a maturity of three months or less.

Gas in Storage

Natural gas in storage is recorded in inventory at prices approved by the OEB in the determination of customer sales rates. The actual cost of gas purchased includes the effect of natural gas price risk management activities. The difference between the approved price and the actual cost of the gas purchased is deferred for future disposition by the OEB.

Property, Plant and Equipment

Expenditures for system expansion and major renewals and betterments are capitalized; maintenance and repair costs are expensed as incurred. Regulated operations capitalize an allowance for interest during construction at rates authorized by the regulatory authorities. When allowed by the regulator, Energy Transportation operations capitalize an allowance for equity funds used during construction, at approved rates.

Depreciation

Depreciation of property, plant and equipment is generally provided on a straight line basis over the estimated service lives of the assets.

The Energy Distribution operations recover a provision for future removal and site restoration costs through depreciation expense at rates approved by the regulator. Actual costs incurred are charged to accumulated depreciation. Similar costs are not currently recovered through tolls by the Energy Transportation pipelines. Accordingly, no provision has been made for removal and site restoration for these operations costs since it is expected that these costs will be recovered through future tolls.

Off Balance Sheet Financial Instruments

Gains and losses on financial instruments used to hedge the Company's investments in self-sustaining foreign operations are included in the foreign currency translation adjustment. Amounts received or paid related to financial instruments used to hedge the currency risk of cash flows from U.S. dollar denominated operations are recognized concurrently with the hedged cash flows. Amounts received or paid related to financial instruments used to hedge purchases of natural gas are recognized as part of the cost of the underlying physical purchases. For other off balance sheet financial instruments used for hedging purposes, amounts received or paid, including any deferred gains and losses realized upon settlement, are recognized over the term of the underlying hedged items.

Post-employment Benefits

The Company maintains both defined benefit and defined contribution pension plans. Pension costs and obligations for the defined benefit pension plans are determined using the projected benefit method and are charged to earnings as services are rendered, except in the Energy Distribution segment where contributions made to the plan are expensed as paid, consistent with the ratemaking process. For the defined contribution plan, contributions made by the Company are expensed as pension costs.

The Company also provides post-employment benefits other than pensions, including group health care and life insurance benefits for eligible retirees, their spouses and qualified dependants. The cost of such benefits is accrued during the years the employees render service, except for the Energy Distribution segment where the cost of providing these benefits is expensed as paid, consistent with the recovery of such costs in rates.

Stock-Based Compensation Plans

The issue of options under the Company's incentive stock option plan is treated as a capital transaction for accounting purposes when the options are exercised. Accordingly, the grant of options does not give rise to compensation expense.

Comparative Amounts

Certain comparative amounts have been reclassified to conform with the current year's financial statement presentation.

2. Segmented Information

(millions of dollars)

Year ended December 31, 2000	Energy Transportation	Energy Distribution	Energy Services	International	Corporate and Other[2]	Consolidated
Revenues	**729.6**	**1,799.7**	**390.2**	**22.2**	**3.3**	**2,945.0**
Gas costs	**–**	**958.8**	**7.7**	**–**	**–**	**966.5**
Operating and administrative	**262.4**	**337.9**	**229.4**	**17.8**	**22.8**	**870.3**
Depreciation	**163.8**	**207.6**	**72.7**	**0.7**	**8.7**	**453.5**
Operating income/(loss)	**303.4**	**295.4**	**80.4**	**3.7**	**(28.2)**	**654.7**
Investment and other income	**71.1**	**73.4**	**7.9**	**22.6**	**10.6**	**185.6**
Interest and preferred equity charges	**(108.3)**	**(164.6)**	**(29.4)**	**–**	**(147.6)**	**(449.9)**
Income taxes	**(62.4)**	**(13.3)**	**5.0**	**0.1**	**72.5**	**1.9**
Earnings/(loss) applicable to common shareholders	**203.8**	**190.9**	**63.9**	**26.4**	**(92.7)**	**392.3**

(millions of dollars)

Year ended December 31, 1999	Energy Transportation	Energy Distribution[1]	Energy Services[1]	International	Corporate and Other[2]	Consolidated
Revenues	599.5	1,913.3	138.9	30.3	12.0	2,694.0
Gas costs	–	897.5	5.6	–	–	903.1
Operating and administrative	236.4	433.8	110.3	15.7	25.4	821.6
Depreciation	115.7	241.3	21.4	0.3	5.1	383.8
Operating income/(loss)	247.4	340.7	1.6	14.3	(18.5)	585.5
Investment and other income	94.7	37.2	–	17.3	33.2	182.4
Interest and preferred equity charges	(88.4)	(184.5)	(7.9)	(0.1)	(111.6)	(392.5)
Income taxes	(42.1)	(93.9)	2.0	(2.8)	49.3	(87.5)
Earnings/(loss) applicable to common shareholders	211.6	99.5	(4.3)	28.7	(47.6)	287.9

(millions of dollars)

Year ended December 31, 1998	Energy Transportation	Energy Distribution[1]	Energy Services[1]	International	Corporate and Other[2]	Consolidated
Revenues	495.4	1,802.7	18.2	20.7	9.4	2,346.4
Gas costs	–	860.4	4.6	–	–	865.0
Operating and administrative	236.0	380.8	22.8	17.7	17.7	675.0
Depreciation	87.0	216.4	1.1	0.2	4.3	309.0
Operating income/(loss)	172.4	345.1	(10.3)	2.8	(12.6)	497.4
Investment and other income	81.9	25.4	–	21.6	22.8	151.7
Interest	(61.4)	(176.5)	(1.4)	–	(73.6)	(312.9)
Income taxes	(39.6)	(93.7)	4.9	(0.1)	33.2	(95.3)
Earnings/(loss) applicable to common shareholders	153.3	100.3	(6.8)	24.3	(30.2)	240.9

1 On October 1, 1999, the Company separated and removed ("unbundled") the ancillary business activities from the regulated operations of Enbridge Consumers Gas to the unregulated Energy Services. This intersegment transaction comprised the transfer of the water heater and furnace rental program, merchandise retailing and financing operations and other related services. Energy Services reflects the results of operations of the unbundled activities commencing October 1, 1999. The 1999 and 1998 results of operations of Energy Distribution reflects a full year contribution from the ancillary business activities for the year ended September 30, 1999 and 1998 under the quarter lag basis of consolidation.

2 Corporate and Other includes new business development activities and non-operating investing and financing activities, including general corporate investments and costs associated with financing non-regulated activities.

3 The measurement basis for preparation of segmented information is consistent with the significant accounting policies outlined in Note 1.

4 Segmented information has been restated to reflect the changes in the internal organization of the Company, effective in the fourth quarter of 2000.

Total Assets

(millions of dollars) December 31,	**2000**	1999
Energy Transportation	**4,238.0**	3,718.3
Energy Distribution	**4,838.3**	4,205.5
Energy Services	**935.3**	868.8
International	**264.4**	211.5
Corporate	**292.2**	204.1
	10,568.2	9,208.2

Property, Plant and Equipment Expenditures

(millions of dollars) December 31,	**2000**	1999	1998
Energy Transportation	**86.5**	378.7	976.6
Energy Distribution	**250.9**	365.0	401.0
Energy Services	**24.9**	35.2	6.1
International and Corporate	**2.0**	4.8	4.7
	364.3	783.7	1,388.4

3. Property, Plant And Equipment

(millions of dollars) **December 31, 2000**	**Weighted Average Depreciation Rate**	**Cost**	**Accumulated Depreciation**	**Net**
Energy Transportation	**2.6%**	**4,197.6**	**1,405.9**	**2,791.7**
Energy Distribution	**2.4%**	**4,160.8**	**537.0**	**3,623.8**
Energy Services	**7.1%**	**1,047.7**	**332.1**	**715.6**
Other	**10.1%**	**39.2**	**10.3**	**28.9**
		9,445.3	**2,285.3**	**7,160.0**

(millions of dollars) December 31, 1999	Weighted Average Depreciation Rate	Cost	Accumulated Depreciation	Net
Energy Transportation	2.6%	4,082.9	1,247.1	2,835.8
Energy Distribution	2.7%	3,682.0	390.9	3,291.1
Energy Services	4.5%	912.0	294.8	617.2
Other	13.7%	35.2	8.6	26.6
		8,712.1	1,941.4	6,770.7

The average depreciation rate for Energy Distribution, including a provision for future removal and site restoration costs, is 4.6% (1999 – 5.0%).

4. Long-Term Investments

(millions of dollars) December 31,	Ownership Interest	**2000**	1999
Equity Investments			
Energy Transportation			
Alliance Pipeline	21.4%	**489.3**	306.5
Vector Pipeline	45.0%	**414.1**	59.4
AltaGas Services	39.5%	**175.5**	165.6
Lakehead Pipe Line Partners	15.3%	**78.8**	82.9
Chicap Pipeline	23.0%	**31.4**	32.5
Other		**10.3**	10.3
		1,199.4	657.2
Energy Distribution			
Noverco	32.1%	**33.0**	26.8
Other		**27.4**	26.0
Cost Investments			
Energy Distribution			
Noverco		**181.4**	181.4
International			
OCENSA Pipeline		**223.3**	160.2
Global Thermoelectric		**25.0**	–
		1,689.5	1,051.6

Consolidated retained earnings at December 31, 2000 include undistributed earnings from equity investments of $114.7 million (1999 – $62.6 million). Income from equity investments was $99.4 million in 2000 (1999 – $72.8 million, 1998 – $47.5 million) of which $85.4 million in 2000 (1999 – $72.6 million, 1998 – $47.5 million) was from the Energy Transportation segment and the remainder from Energy Distribution.

Equity investments include $206.4 million (1999 – $192.1 million) representing the unamortized excess of the purchase price over the underlying net book value of the investee's assets at the date of purchase. The excess has been allocated to property, plant and equipment, on the basis of estimated fair values, and is being amortized over the economic life of the assets.

In 1999, Lakehead Pipe Line Partners (Partnership) completed a public issue of additional Partnership Units. As the Company elected not to participate in these offerings, its effective interest in the Partnership was reduced to 15.3% from 16.6%. This resulted in recognition of a dilution gain of $18.2 million, before tax.

Noverco holds an approximate 10% reciprocal shareholding in the Company. As a result, the Company has a pro-rata interest of 3.2% in its own shares (1999 – 3.2%). Both the equity investment in Noverco Inc. and shareholders' equity have been reduced by the reciprocal shareholding of $128.2 million (1999 – $121.9 million).

5. Debt

(millions of dollars) December 31,	Weighted Average[4] Interest Rate	Maturity	2000	1999
Regulated Operations				
Energy Transportation				
Debentures[1]	9.1%	2001–2024	**403.7**	411.6
Medium term notes	6.5%	2001–2029	**702.2**	702.0
Other[2]	5.8%		**24.9**	23.5
			1,130.8	1,137.1
Energy Distribution				
Debentures	10.9%	2003–2024	**685.0**	717.4
Medium term notes	6.6%	2001–2028	**1,065.0**	1,115.0
Other[2]	5.9%		**111.5**	109.5
			1,861.5	1,941.9
Total Regulated Operations			**2,992.3**	3,079.0
Non-regulated Operations				
Debentures[3]	9.4%	2001	**178.1**	228.1
Medium term notes	6.2%	2002–2030	**1,220.8**	694.3
Senior term notes (U.S. $275.0 million)	8.1%	2005–2007	**397.8**	–
Preferred securities	7.8%	2048	**9.6**	8.9
Variable rate bank borrowings	6.2%		**450.0**	650.0
Other[2]	5.8%		**770.1**	729.8
Total Non-regulated Operations			**3,026.4**	2,311.1
Total Long-Term Debt			**6,018.7**	5,390.1
Current Portion of Long-Term Debt			**(426.0)**	(105.3)
Long-Term Debt			**5,592.7**	5,284.8

1 Includes $11.6 million of debentures (1999 – $14.5 million) secured by a first mortgage on specific pipeline properties and the assignment of the benefits of a shipping agreement.

2 Primarily comprised of commercial paper borrowings. Commercial paper debt is due within one year but has been classified as long-term debt, reflecting the Company's intent and ability to refinance through subsequent issuances of commercial paper or drawing on the committed credit facility.

3 Includes U.S. $130.0 million 9.4% debentures.

4 The effective weighted average interest rates, after giving effect to the interest rate swap agreements (described in Note 9), were 9.1% (1999 – 9.1%) for Energy Transportation debentures, 7.1% (1999 – 7.1%) for Energy Distribution other debt, 8.8% (1999 – 8.8%) for Non-regulated Operations debentures, and 7.4% for senior term notes.

Long-term debt maturities and sinking fund requirements for the years ending December 31, 2001 through 2005 are $426.0 million, $339.6 million, $137.8 million, $162.1 million and $539.3 million.

Interest Expense

(millions of dollars) December 31,	2000	1999	1998
Long-term debt	**415.2**	382.8	322.2
Short-term borrowings	**18.5**	14.9	14.5
Capitalized	**(6.0)**	(17.1)	(23.8)
	427.7	380.6	312.9

Short-term borrowings, which primarily finance gas in storage and other working capital items, are comprised of commercial paper with maturities of less than one year with a weighted average interest rate (including the effect of hedging instruments) of 5.7% at December 31, 2000 (1999 – 4.9%; 1998 – 5.4%).

In 2000, total interest paid was $410.5 million (1999 – $399.5 million; 1998 – $319.7 million).

Credit Facilities

(millions of dollars)	Committed	Uncommitted	Drawdowns
Energy Transportation	150.0	–	–
Energy Distribution	300.3	307.3	16.2
Corporate	1,900.0	–	450.0
	2,350.3	307.3	466.2

Committed facilities carry a weighted average standby fee of 0.091% per annum on the unutilized portion. The committed facilities for Energy Transportation and Energy Distribution expire in 2001 and are extendible annually subject to the approval of the lenders. The committed facilities for corporate purposes expire in 2001 and 2005 and are extendible annually subject to the approval of the lenders. Drawdowns under these facilities bear interest at prevailing market rates.

6. Preferred Securities

During 1999, the Company completed public offerings of $175 million of 7.6% and $175 million of 8.0% Preferred Securities, for net proceeds of $338.5 million. The Preferred Securities may be redeemed at the Company's option in whole or in part after the fifth anniversary of each issue. The Company has the right to defer, subject to certain conditions, payments of distributions on the securities for a period of up to 20 consecutive quarterly periods. Deferred and regular distribution amounts are payable in cash or, at the option of the Company, in common shares of the Company. Since the distributions may be settled through the issuance of common shares at the Company's option, the Preferred Securities are classified into their respective debt and equity components. The equity component of the Preferred Securities is $340.4 million at December 31, 2000 (1999 – $341.1 million).

7. Share Capital

The authorized share capital of the Company consists of an unlimited number of common and preferred shares.

Common Shares

(millions of dollars; number of common shares in thousands)	**2000**		1999		1998	
	Number of Shares	**Amount**	Number of Shares	Amount	Number of Shares	Amount
Balance at beginning of year	**156,308**	**1,677.2**	155,710	1,659.8	148,328	1,441.8
Dividend Reinvestment and Share Purchase Plan	**217**	**7.2**	200	6.6	178	5.6
Issued to Noverco	**600**	**19.7**	–	–	3,500	93.3
Shares issued for investment in AltaGas Services	**–**	**–**	217	7.1	–	–
Public issue	**4,500**	**143.9**	–	–	3,500	114.5
Other	**221**	**4.6**	181	3.7	204	4.6
Balance at end of year	**161,846**	**1,852.6**	156,308	1,677.2	155,710	1,659.8

Preferred Shares

The 5,000,000 5.5% Cumulative Redeemable Preferred Shares, Series A are entitled to fixed, cumulative, preferential dividends of $1.375 per share per year, payable quarterly. On or after December 31, 2003, the Company may, at its option, redeem all or a portion of the outstanding preferred shares for $26.00 per share if redeemed on or prior to December 1, 2004; $25.75 if redeemed on or prior to December 1, 2005; $25.50 if redeemed on or prior to December 1, 2006; $25.25 if redeemed on or prior to December 1, 2007; and at $25.00 per share if redeemed thereafter, in each case with all accrued and unpaid dividends to the redemption date.

Earnings Per Common Share

Earnings per common share is calculated by dividing net income applicable to common shares by the weighted average number of common shares outstanding. The weighted average number of shares is 154,469,000, 150,995,000 and 145,448,000 in 2000, 1999 and 1998, respectively. The weighted average number of shares outstanding has been reduced by the Company's pro-rata interest in its own common shares resulting from the investment in Noverco.

Dividend Reinvestment and Share Purchase Plan

The Company has a Dividend Reinvestment and Share Purchase Plan. Under the plan, registered shareholders may reinvest dividends in common shares of the Company or make optional cash payments to purchase additional common shares, in either case free of brokerage or other charges.

Shareholder Rights Plan

The Company has a Shareholder Rights Plan designed to encourage the fair treatment of shareholders in connection with any takeover offer for the Company. Rights issued under the plan become exercisable when a person, and any related parties, acquires or announces its intention to acquire 20% or more of the Company's outstanding common shares without complying with certain provisions set out in the plan or without approval of the Board of Directors of the Company. Should such an acquisition or announcement occur, each rights holder, other than the acquiring person and related parties, will have the right to purchase common shares of the Company at a 50% discount to the market price at that time.

8. Stock Option Plan

The Company's Incentive Stock Option Plan (1999) includes fixed stock options and performance-based stock options. A maximum of 12 million common shares are reserved for issuance under the various alternatives covered by the plan.

Fixed Stock Options

Full time, key employees are granted options to purchase common shares, exercisable at the market price of common shares at the date the options are granted. Generally, options vest in equal annual instalments over a four-year period and expire after ten years from the original issue date.

Outstanding stock options will expire over a period ending no later than July 1, 2010.

(options in thousands; exercise prices in dollars)	2000 Number	2000 Weighted Average Exercise Price	1999 Number	1999 Weighted Average Exercise Price	1998 Number	1998 Weighted Average Exercise Price
Number of shares under option at beginning of year	**3,116**	**26.63**	2,415	23.33	1,874	18.45
Options granted	**1,360**	**26.74**	888	34.45	811	33.11
Options exercised	**(179)**	**19.85**	(115)	15.35	(128)	15.02
Options cancelled or expired	**(185)**	**31.17**	(72)	30.25	(142)	22.22
Number of shares under option at end of year	**4,112**	**26.76**	3,116	26.63	2,415	23.33
Options available for exercise	**1,757**		1,421		633	

The options outstanding at the end of 2000 had the following characteristics.

(exercise prices in dollars)	Exercise Price Range	Options Outstanding (000's)	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price	Options Available for Exercise (000's)	Weighted Average Exercise Price
	11.43 to 20.00	835	3.7	15.41	835	15.41
	20.01 to 30.00	1,779	8.4	26.11	382	24.36
	30.01 to 35.50	1,498	8.1	33.85	540	33.64
		4,112			1,757	

Performance-Based Options

The Plan provides for the granting of performance-based options to executive management with vesting based upon the performance of the Company's common stock price. The options become exercisable, as to 50% of the grant, when the market price of a common share exceeds $40.00 per share for 20 consecutive trading days during the period January 20, 1998 to December 31, 2002. If the share price exceeds $45.00 during the same period the grant is fully exercisable. The performance-based options expire on January 1, 2003 but will extend to January 20, 2006 if the options become exercisable before December 31, 2002. None of the performance-based options have met the vesting conditions at December 31, 2000. A summary of the status of the Company's performance-based options is presented below.

(options in thousands; exercise prices in dollars)	2000 Number	2000 Weighted Average Exercise Price	1999 Number	1999 Weighted Average Exercise Price
Number of shares under option at beginning of year	**1,480**	**31.60**	1,420	31.40
Options granted	**–**	**–**	120	33.80
Options cancelled	**–**	**–**	(60)	31.35
	1,480	**31.60**	1,480	31.60

9. Financial Instruments

Risk Management

The Company is exposed to movements in the U.S./Canadian dollar exchange rate, interest rates and the price of natural gas. In order to minimize these exposures for both shareholders and ratepayers, the Company utilizes a variety of instruments to create an offsetting position to specific exposures. These instruments are employed in connection with an underlying asset, liability or anticipated transaction and are not entered into for speculative purposes.

By entering into these instruments, the Company agrees to exchange with counterparties the difference between fixed and variable amounts, calculated by reference to specific foreign exchange rates, interest rates, or natural gas price indices based on a notional principal amount or notional quantity of natural gas. The notional amounts are not recorded in the financial statements as they do not represent amounts exchanged by the counterparties.

Derivative financial instruments involve credit and market risk. Credit risk arises from the potential for a counterparty to default on its contractual obligations and is limited to those contracts where the Company would incur a loss in replacing the defaulted transaction. The Company minimizes credit risk by entering into off balance sheet risk management transactions only with creditworthy institutions that possess strong investment grade credit ratings or where such transactions are secured with approved forms of collateral. For transactions with terms of greater than five years, the Company may also retain the right to require a counterparty, who would otherwise meet the Company's credit criteria, to provide collateral within a specified time frame.

Foreign Exchange

The Company has an exposure to the U.S./Canadian dollar exchange rate primarily through its investments in U.S. dollar denominated operations. The Company has established a hedging program to manage a portion of that long-term exposure. At December 31, 2000, the Company had entered into par forward and cross currency swaps to hedge U.S. dollar denominated cash flows of approximately U.S. $60 million per annum (1999 – U.S. $39 million; 1998 – U.S. $39 million) as well as the redemption of the U.S. dollar denominated investment in OCENSA of U.S. $100 million (1999 – U.S. $100 million), thereby reducing currency exposures. In addition, forward foreign exchange contracts, including cross currency swaps, have been entered into to hedge the Company's exposure on its U.S. dollar denominated debt and to match the effect of translating Canadian dollar denominated monetary financing held by an integrated U.S. subsidiary.

Interest Costs

To hedge against the effect of future interest rate movements on its short to long-term borrowing requirements, the Company enters into forward interest rate agreements, swaps and collars.

Natural Gas Prices

The Company uses natural gas price swaps, options and collars to manage exposure to natural gas prices. As allowed by the regulator of the Energy Distribution operations, a portion of the cost of future natural gas supply requirements is hedged. Amounts paid or received under the hedge agreements are recognized as part of the cost of the natural gas purchases which is recovered through the rate making process. At December 31, 2000, the Company had entered into natural gas price swaps to manage the price for approximately 4.9%, or 8.9 billion cubic feet, of its forecast fiscal 2001 system gas supply. During the year ended December 31, 2000, the Company hedged 35.2%, or 63.2 billion cubic feet, of its system gas supply (1999 – 37.7%, or 62.0 billion cubic feet; 1998 – 34%, or 53.4 billion cubic feet).

Fair Value

The fair value of financial instruments represents an approximation of amounts that would have been received from or paid to counterparties, calculated at the reporting date, to settle these instruments. The carrying amounts of all financial instruments classified as current approximate fair value because of the short maturities of these instruments. The estimated fair values of all other financial instruments are based on quoted market prices or, in the absence of specific market prices, on quoted market prices for similar instruments and other valuation techniques.

The carrying amounts of all financial instruments, except as shown below, approximate fair value.

	2000		1999	
(millions of dollars) December 31,	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
Long-term debt				
Regulated operations	**2,992.3**	**3,240.8**	3,079.0	3,351.5
Non-regulated operations	**3,026.4**	**3,044.7**	2,311.1	2,286.5

Off Balance Sheet Financial Instruments

The fair values of derivatives have been estimated using year-end market rates. These fair values approximate the amount that the Company would receive or pay to terminate the contracts at the year-end date.

	2000			1999		
(millions of dollars) December 31,	**Notional Principal or Quantity**	**Fair Value (Payable)/ Receivable**	**Maturity**	Notional Principal or Quantity	Fair Value (Payable)/ Receivable	Maturity
Foreign exchange						
Cross currency swaps	**713.9**	**26.9**	**2001-2022**	316.2	3.4	2001-2022
Forwards (cumulative exchange amounts)	**2,222.0**	**(44.9)**	**2001-2022**	1,832.3	(14.4)	2000-2022
Natural gas prices (bcf)	**12.7**	**16.8**	**2001-2006**	18.2	0.3	2000
Interest rates						
Interest rate swaps	**1,167.0**	**(2.8)**	**2001-2029**	696.3	1.3	2000-2029

As the Company did not settle hedging instruments in advance of the hedged transactions, there were no gains or losses deferred in relation to any of the Company's off balance sheet hedges of anticipated transactions at December 31, 2000 and 1999.

Trade Credit Risk

Trade receivables relating to Energy Transportation consist primarily of amounts due from companies operating in the oil and gas industry and are collateralized by the crude oil and other products contained in the Company's pipeline and storage facilities. Credit risk with respect to trade receivables of the remaining operating segments is reduced by the large and diversified customer base, and, for rate-regulated operations, the ability to recover an estimate for doubtful accounts through the ratemaking process. The allowance for doubtful accounts amounted to $15.3 million at December 31, 2000 (1999 – $16.4 million).

10. Income Taxes

Effective January 1, 2000, the Company adopted the new recommendations for accounting for income taxes. The recommendations have been adopted retroactively without restatement of the prior years' results. The new standard does not impact the accounting for income taxes for the wholly-owned rate-regulated operations of the Company, which use the taxes payable basis.

Under the new recommendations, income taxes for non-regulated operations are accounted for using the liability method. Adoption of the new recommendations resulted in a charge to retained earnings of $112.0 million, of which $76.1 million related to the unbundled rental assets, $22.4 million related to the tax effect of differences between the carrying amount of investments and their respective tax basis, and the remaining $13.5 million related to other non-regulated assets. In addition, the tax effect of differences between the assigned and underlying values of identifiable assets in prior years' business combinations resulted in an increase of $430.1 million in property, plant and equipment. These adjustments, along with the recharacterization of deferred credits and a regulated receivable related to a future income tax liability to be recovered from the ratepayers (specific to the unbundling transaction), resulted in a cumulative adjustment of $634.1 million in future income tax liabilities.

Geographic Components of Pre-tax Earnings and Income Taxes

(millions of dollars) December 31,	**2000**	1999	1998
Earnings before income taxes			
Canada	**297.4**	236.5	212.6
United States	**68.2**	102.7	88.2
Other	**47.0**	48.1	35.4
	412.6	387.3	336.2

(millions of dollars) December 31,	**2000**	1999	1998
Current income taxes			
Canada	**154.4**	62.3	89.4
United States	**(5.1)**	13.5	29.8
Other	**5.9**	6.2	2.2
	155.2	82.0	121.4
Future income taxes			
Canada	**(152.1)**	(3.4)	(24.4)
United States	**(5.0)**	8.9	(1.7)
	(157.1)	5.5	(26.1)
	(1.9)	87.5	95.3

Components of Future Income Taxes

(millions of dollars)

December 31,	2000
Future Income Tax Liabilities	
Differences in financial and tax bases of PP&E	**827.9**
Undistributed equity income	**28.4**
Other	**56.5**
	912.8
Future Income Tax Assets	
Loss carryforwards	**147.8**
Other	**8.4**
	156.2
Total Net Future Income Tax Liability	**756.6**

Under the deferral method, the components of deferred income taxes were as follows.

(millions of dollars)

Year ended December 31,	1999	1998
Recognition of tax losses available for carryforward	(39.8)	(14.5)
Timing of recognition of regulatory deferral accounts	44.7	(14.2)
Other	0.6	2.6
	5.5	(26.1)

Accumulated future income taxes related to rate-regulated operations which have not been recorded in the accounts amounted to $561.9 million at December 31, 2000 (1999 – $743.3 million). Had the liability method been prescribed by the regulatory authorities for ratemaking purposes, such amounts would have been recorded and recovered in revenues to date.

At December 31, 2000, the Company has unused tax loss carryforwards of $459.4 million. The losses expire as follows: 2001 – $0.1 million; 2002 – $0.5 million; 2003 – $0.7 million; 2004 – $8.9 million; 2005 – $54.9 million; 2006 – $159.7 million; and 2007 – $234.6 million.

Income Tax Rate Reconciliation

Year ended December 31,	2000	1999	1998
Earnings before income taxes	**412.6**	387.3	336.2
Combined statutory income tax rate	**43.3%**	44.6%	44.6%
Income taxes at statutory rate	**178.8**	172.7	150.0
Increase/(decrease) resulting from:			
Tax rate reductions on future income tax balances	**(103.7)**	–	–
Future income taxes related to regulated operations	**(40.9)**	(37.1)	(18.6)
Non-taxable items, net	**(31.0)**	(48.7)	(2.9)
Lower foreign tax rates	**(21.0)**	(16.0)	(27.1)
Income taxes recoverable related to prior years	**0.3**	1.6	(17.3)
Large Corporations Tax in excess of surtax	**16.1**	14.4	10.1
Other	**(0.5)**	0.6	1.1
Income taxes	**(1.9)**	87.5	95.3
Effective income tax rate	**–**	22.6%	28.3%

In 2000, income taxes paid amounted to $114.7 million (1999 – $79.6 million; 1998 – $163.5 million).

11. Post-employment Benefits

Pension Plans

The Company has three pension plans which provide either defined benefit or defined contribution pension benefits or both for the employees of the Company. The Energy Transportation pension plan in Canada provides non-contributory defined benefit pension and/or defined contribution benefits to Canadian employees. The Energy Transportation pension plan in the United States provides non-contributory defined benefit pension benefits to U.S. employees. The Enbridge Consumers Gas pension plan provides contributory defined benefit pension and/or defined contribution benefits to employees of the Energy Distribution and Energy Services segments.

Defined Benefit

Retirement benefits under defined benefit plans are based on the employees' years of service and remuneration. Contributions made by the Company are in accordance with independent actuarial valuations and are invested primarily in publicly traded equity and fixed income securities. The most recent actuarial valuation was performed as of January 1, 2000.

Pension costs under the defined benefit pension plan reflect management's best estimates of the rate of return on pension plan assets, rate of salary increases and various other factors including mortality rates, terminations and retirement ages. Adjustments arising from plan amendments, actuarial gains and losses, and changes to assumptions are amortized over the expected average remaining service lives of the employees.

Consistent with its ratemaking process, Enbridge Consumers Gas records as pension expense the contributions deemed sufficient by actuaries to fully fund the plans over an acceptable time frame.

Defined Contribution

Defined contribution pension benefits cover all employees hired by the Energy Transportation segment after January 1, 1997 and after October 1, 1999 for the Energy Services segment, as well as existing employees who elected to leave the defined benefit plan on a prospective basis. Contributions are based on each employee's age and years of service for the Energy Transportation segment and are based on a fixed percentage of base pay for each employee in the Energy Services segment. For defined contribution pension benefits, pension expense equals amounts contributed by the Company.

The Company's pension expense totalled a net credit of $4.8 million (1999 – $9.4 million expense; 1998 – $5.0 million expense) and the pension asset was $40.9 million (1999 – $21.3 million).

Post-employment Benefits Other than Pensions

Post-employment benefits other than pensions (OPEB) include supplemental health, dental and life insurance coverage for qualifying retired employees. The Company's OPEB expense totalled $6.5 million (1999 – $2.0 million; 1998 – $2.6 million) and OPEB liability was $5.5 million.

Accounting for Post-employment Benefits

Effective January 1, 2000 the Company adopted the new accounting recommendations – employee future benefits with respect to all of its post-employment benefits plans, except those for Enbridge Consumers Gas which is not required to adopt the recommendations until fiscal 2001. The new standard requires the accrual method of accounting for all employee future benefits, including pensions and post-employment medical and dental benefits.

At December 31, 2000, the market value of the Company's pension and OPEB assets was $1,242.6 million (1999 – $1,054.0 million), with a corresponding pension and OPEB obligation of $764.7 million (1999 – $753.4 million). Changes in the benefit obligation and plan assets are presented in Note 16.

Economic Assumptions

The most significant economic assumptions made in the measurement of the pension costs and the projected benefit obligations of the pension plans and OPEB were as follows:

	OPEB			Pension Benefits		
Year ended December 31,	**2000**	1999	1998	**2000**	1999	1998
Discount rate	**7.0-7.5%**	6.5-7.5%	6.3-8.5%	**7.0-7.5%**	6.3-7.5%	6.3-8.5%
Average rate of salary increases				**4.0%**	4.0-4.5%	4.5-5.5%
Average rate of return on pension plan assets				**7.75-8.0%**	7.5-8.0%	7.5-8.5%
Medical cost trend rate	**4.5-6.8%**	4.5-6.8%	4.5-7.0%			
Dental cost trend rate	**4.5-6.0%**	4.5-6.0%	4.5-6.0%			

A 1% change in the assumed medical and dental care trend rate would result in a $17.4 million change in the accumulated post-employment benefit obligations and a $2.0 million change in post-employment benefit costs.

12. Investment and Other Income

(millions of dollars) December 31,	**2000**	1999	1998
Equity investments	**99.4**	72.8	47.5
Cost investments	**44.4**	40.5	42.2
Short-term investments	**14.7**	13.5	4.5
Allowance for equity funds used during construction	**2.7**	9.9	18.1
Loss on foreign currency contracts	**(24.5)**	–	–
Gain on reduction of ownership interest	**–**	18.2	1.0
Settlement of outstanding insurance claim	**–**	–	16.0
Other	**48.9**	27.5	22.4
	185.6	182.4	151.7

The reduction in federal and provincial income tax rates has resulted in certain of the Company's anticipated U.S. dollar cash flows being overhedged. The derivative financial instruments related to the overhedged position, primarily long-term forward foreign exchange contracts, have been treated as speculative and marked to market, resulting in a charge of $24.5 million to earnings.

13. Changes in Operating Assets and Liabilities

(millions of dollars) December 31,	**2000**	1999	1998
Accounts receivable and other	**(69.0)**	(67.2)	(174.7)
Gas in storage	**(144.7)**	(17.3)	(47.9)
Deferred charges and other	**(69.2)**	(38.6)	(9.4)
Accounts payable and other	**(68.2)**	9.7	(14.3)
Interest payable	**23.2**	(1.8)	17.0
Current portion of long-term liabilities	**(23.4)**	54.1	–
Deferred credits	**(45.1)**	(70.7)	51.3
	(396.4)	(131.8)	(178.0)

Changes in accounts payable exclude changes in construction payables which relate to investing activities.

14. Related Party Transactions

Lakehead Pipe Line Partners, which does not have any employees, uses the services of the Company for managing and operating the U.S. pipeline business. These services, which are charged at cost in accordance with service agreements, amounted to $46.7 million (1999 – $50.9 million; 1998 – $51.7 million). Accounts receivable include $2.3 million due from the Partnership (1999 – $2.5 million).

15. Commitments and Contingencies

Enbridge Consumers Gas

The remediation of discontinued manufactured gas plant sites may result in future costs. The probable cost of remediation measures cannot be determined at this time due to uncertainty about the existence or extent of environmental risks, the complexity of laws and regulations particularly with respect to sites decommissioned years ago and no longer owned by Enbridge Consumers Gas, and the selection of alternative remediation approaches. Although there are no known regulatory precedents in Canada, there are precedents in the United States for recovery in rates of costs of a similar nature. Enbridge Consumers Gas expects that, if it is found that it must contribute to any remediation costs, it would be generally allowed to recover in rates those costs not recovered through insurance or by other means and believes that the ultimate outcome of these matters would not have a significant impact on its financial position.

In April 1994, an action was commenced against Enbridge Consumers Gas in the Ontario Court of Justice (General Division) by a customer claiming that the OEB-approved late payment penalties charged to customers were contrary to Canadian federal law and seeking certification of the action as a class action. The claim sought $112 million in "restitutionary payments" and other relief and was brought on behalf of all people who were customers of Enbridge Consumers Gas and who had paid or been charged for the late payment penalties since April 1, 1981. The action has not been certified by the Court as a class proceeding although the Class Proceedings Committee established under the Ontario Class Proceedings Act, 1992 decided that it would fund the action. In February 1995, the Ontario Court of Justice, General Division issued a judgement on the threshold issue in favour of Enbridge Consumers Gas dismissing the class action lawsuit. The Court concluded that the late payment charge is not interest payable on a credit transaction, but is an incentive to customers to pay their bills by a certain date. The Court held that Section 347 of the Criminal Code of Canada, which deals with interest on credit transactions, did not apply. An appeal by the plaintiff from this decision was dismissed by the Ontario Court of Appeal in September 1996. The plaintiff was granted leave to appeal to the Supreme Court of Canada from the decision of the Court of Appeal. The appeal was heard by the Supreme Court of Canada in March 1998 and the decision of the Court was issued in October 1998. The Court allowed the appeal, set aside the summary judgement dismissing the action and remitted the action back to the Ontario Court (General Division) for proceedings in accordance with the Ontario Class Proceedings Act, 1992. Further motions for summary judgement and related matters were argued during March 2000. In April 2000, the Court released its Reasons for Decision in which it dismissed the plaintiff's claim. In May 2000, the plaintiff filed a Notice of Appeal with the Ontario Court of Appeal. The Appeal is expected to be heard in March 2001. Enbridge Consumers Gas believes that it has sound defences to the plaintiff's claim and it intends to vigorously defend the action.

Lakehead Pipe Line Partners

Lakehead Pipe Line Company (Lakehead), which holds the Company's 15.3% equity interest in the Partnership, has agreed to indemnify the Partnership from and against substantially all liabilities, including liabilities relating to environmental matters, arising from operations prior to the transfer of its pipeline operations to the Partnership in 1991. This indemnification does not apply to amounts that the Partnership would be able to recover in its tariff rates (if not recovered through insurance), or to any liabilities relating to a change in laws after December 27, 1991. In addition, in the event of default, Lakehead, as the General Partner, is subject to recourse with respect to a portion of the Partnership's long-term debt which amounted to U.S. $500.0 million at December 31, 2000.

16. United States Accounting Principles

Earnings and Comprehensive Income

(millions of dollars)

Year ended December 31,	**2000**	1999	1998
Earnings under Canadian GAAP	**414.5**	299.8	240.9
Preferred securities distributions	**(15.3)**	(5.0)	–
Future income tax expense	**(182.8)**	–	–
Earnings under U.S. GAAP	**216.4**	294.8	240.9
Foreign currency translation adjustment	**16.2**	(14.8)	(22.0)
Comprehensive income	**232.6**	280.0	218.9

The tax rate reductions that are substantially enacted in Canada, amounting to $92.8 million would not meet the requirements for enactment under U.S. GAAP.

The deferred income taxes related to the unbundling transaction and charged to retained earnings under Canadian GAAP as part of the adoption of the new income tax standards, are charged to earnings as a write-down of the regulatory asset, under U.S. GAAP.

Basic and fully diluted earnings per share applicable to common shareholders under U.S. GAAP for the year ended December 31, 2000 were $1.36 (1999 – $1.91; 1998 – $1.66).

At December 31, 2000, accumulated other comprehensive income consisted solely of an accumulated foreign currency translation adjustment of $14.3 million (1999 – $(1.9) million).

Financial Position

(millions of dollars)

December 31,	**2000**		1999	
	Canada	**United States**	Canada	United States
Accounts receivable and other	**747.5**	**683.5**	678.5	646.0
Long-term investments	**1,689.5**	**1,721.9**	1,051.6	1,084.0
Deferred charges and other	**384.4**	**1,502.5**	278.7	1,699.2
Property, plant and equipment, net	**7,160.0**	**7,135.7**	6,770.7	7,178.2
Accounts payable and other	**420.7**	**358.2**	494.6	464.2
Long-term debt	**5,592.7**	**5,933.1**	5,284.8	5,625.9
Deferred credits	**69.2**	**1.0**	157.8	162.3
Deferred income taxes	**756.6**	**2,044.3**	254.5	2,108.3
Preferred securities	**340.4**	**–**	341.1	–
Retained earnings	**581.3**	**466.5**	503.1	481.1
Foreign currency translation adjustment/(debit)	**(7.7)**	**14.3**	(23.9)	(1.9)

Under U.S. GAAP, the Company's Preferred Securities and related distributions would be recognized as debt and interest expense, respectively. The carrying amount of the equity component, when classified as long-term debt under U.S. GAAP, has a fair market value of $343.6 million at December 31, 2000 (1999 – $326.8 million).

Under U.S. GAAP deferred income tax liabilities are recorded for regulated operations which follow the taxes payable method. As these deferred income taxes are recoverable through future revenues, a corresponding deferred asset is also recorded. These assets and liabilities reflect changes in enacted income tax rates. The additional deferred taxes under U.S. GAAP include the difference between capital cost allowance and depreciation of property plant and equipment of $633.7 million (1999 – $743.3 million) and the incremental revenue required for the recovery of unrecorded taxes of $479.5 million (1999 – $598.4 million).

Under U.S. GAAP, the Company's investments in joint ventures are accounted for using the equity method.

Stock Based Compensation

U.S. GAAP requires the measurement and recognition of compensation expense related to certain stock-based compensation. The Company has accounted for stock-based compensation for U.S. GAAP purposes in accordance with APB 25, "Accounting for Stock Issued to Employees." The difference between compensation expense measured in accordance with APB 25 and the amount which would have been recognized under Statement of Financial Accounting Standards No. 123, "Accounting for Stock-based Compensation," is not material.

Post-employment Benefits Disclosure

In 1999, post-employment benefits were accounted for using the cost method under Canadian GAAP and the accrual method under U.S. GAAP. Commencing in 2000, the Company uses the accrual method in its Canadian GAAP financial statements. The tables below detail the changes in the benefit obligation, the fair value of plan assets and the recorded asset or liability using the accrual method.

(millions of dollars)	OPEB		Pension Benefit	
	2000	1999	**2000**	1999
Benefit obligation, January 1	**119.4**	112.0	**634.0**	634.7
Service cost	**3.5**	3.9	**18.0**	19.5
Interest cost	**7.7**	7.7	**43.3**	41.8
Amendments	**(0.1)**	–	**0.7**	–
Employee contributions	**0.2**	0.3	**5.3**	5.6
Actuarial (gain)/loss	**(15.0)**	0.2	**(19.2)**	(32.5)
Benefits paid	**(2.9)**	(3.0)	**(32.9)**	(30.8)
Effect of exchange rate changes	**0.7**	(1.7)	**2.0**	(4.3)
Benefit obligation, December 31	**113.5**	119.4	**651.2**	634.0
Fair value of plan assets, January 1	**20.0**	18.4	**1,034.0**	896.3
Actual return on plan assets	**1.0**	0.3	**206.8**	146.9
Employer's contributions	**5.0**	5.0	**0.9**	7.5
Employee contributions	**0.2**	0.3	**5.3**	5.6
Benefits paid	**(2.9)**	(3.0)	**(32.9)**	(30.8)
Other	**–**	–	**–**	17.5
Effect of exchange rate changes	**0.5**	(1.0)	**4.7**	(9.0)
Fair value plan assets, December 31	**23.8**	20.0	**1,218.8**	1,034.0
Plan assets in excess/(deficiency) of projected benefit obligations	**(89.7)**	(99.4)	**567.6**	400.0
Unrecognized prior service cost	**0.9**	7.8	**7.2**	7.2
Unrecognized plan surplus/(obligation)	**52.1**	41.7	**–**	(2.2)
Unrecognized net (gain)/loss	**(4.3)**	10.4	**(383.6)**	(231.3)
Recorded asset/(liability)	**(41.0)**	(39.5)	**191.2**	173.7

Net Pension Plan and OPEB Costs

(millions of dollars)

December 31,	**2000**	1999	1998
Benefits earned during the year	**23.0**	24.9	20.8
Interest cost on projected benefit obligations	**51.1**	49.5	48.2
Expected return on plan assets	**(76.2)**	(66.4)	(54.9)
Amortization and deferral of unrecognized amounts	**(8.9)**	(2.2)	(1.0)
Amount credited to the Partnership	**6.5**	3.0	0.2
Pension and OPEB (credit)/expense	**(4.5)**	8.8	13.3

Accounting for Derivative Instruments and Hedging Activities

In June 1998, the Financial Accounting Standards Board (FASB) issued FAS 133 *Accounting for Derivative Instruments and Hedging Activities*, as amended, which is required to be adopted in years beginning after June 15, 2000. This statement requires that all derivatives be recognized at fair value in the balance sheet and all changes in fair value be recognized currently in earnings or deferred as a component of other comprehensive income, depending on the intended use of the derivative, its resulting designation and its effectiveness. The Company is required to adopt the new statement effective January 1, 2001. This statement is not expected to have a material effect on the financial statements.

SUPPLEMENTARY INFORMATION
(unaudited)

Selected Quarterly Financial Data

(millions of dollars, except per share amounts)

2000	First	Second	Third	Fourth	Total
Operating revenue	701.9	1,102.3	640.3	500.5	2,945.0
Operating income	167.3	301.8	126.4	59.2	654.7
Earnings applicable to common shareholders	82.6	193.7	45.8	70.2	392.3
Earnings per common share	0.55	1.27	0.28	0.44	2.54
Dividends paid per common share	0.3025	0.3225	0.3225	0.3225	1.27

1999	First	Second	Third	Fourth	Total
Operating revenue	590.3	1,051.7	554.8	497.2	2,694.0
Operating income	123.6	285.4	107.7	68.8	585.5
Earnings applicable to common shareholders	69.8	178.4	36.5	3.2	287.9
Earnings per common share	0.47	1.18	0.24	0.02	1.91
Dividends paid per common share	0.2875	0.3025	0.3025	0.3025	1.1950

Quarterly Share Trading Information

The Toronto Stock Exchange

2000 *(dollars)*	First	Second	Third	Fourth
High	29.85	34.40	34.75	44.00
Low	23.00	29.45	31.00	33.50
Close	29.45	31.05	34.60	43.70
Volume *(thousands)*	23,594	15,463	12,737	16,449

1999 *(dollars)*	First	Second	Third	Fourth
High	36.33	35.00	33.95	32.00
Low	33.25	31.50	29.80	28.60
Close	33.43	33.75	31.75	28.65
Volume *(thousands)*	12,576	14,106	12,385	12,716

The NASDAQ National Market

2000 *(U.S. dollars)*	First	Second	Third	Fourth
High	20.50	23.13	23.60	28.88
Low	16.00	19.25	21.50	21.75
Close	20.50	20.31	22.88	28.63
Volume *(thousands)*	244	121	83	85

1999 *(U.S. dollars)*	First	Second	Third	Fourth
High	24.13	24.88	23.69	21.75
Low	22.31	21.38	20.50	19.25
Close	22.38	23.00	21.63	20.13
Volume *(thousands)*	147	181	184	83

FIVE YEAR CONSOLIDATED HIGHLIGHTS

ENBRIDGE

Financial and Operating Information[1]

(millions of dollars, except per share amounts)

Earnings by Segment	2000	1999	1998	1997	1996
Energy Transportation	**203.8**	211.6	153.3	117.1	92.6
Energy Distribution[2]	**190.9**	99.5	100.3	132.1	111.8
Energy Services	**63.9**	(4.3)	(6.8)	(7.5)	–
International	**26.4**	28.7	24.3	16.1	4.8
Corporate and Other	**(92.7)**	(47.6)	(30.2)	(40.5)	(28.9)
Earnings applicable to common shareholders	**392.3**	287.9	240.9	217.3	180.3
Cash Flow Data					
Cash provided from operating activities	**264.0**	495.1	312.4	437.8	479.6
Expenditures on property, plant and equipment	**364.3**	783.7	1,388.4	651.4	560.5
Dividends paid on common shares	**202.1**	186.4	168.3	147.1	125.9
Operating Data					
Energy Transportation[3]					
Deliveries *(thousands of barrels per day)*	**2,164**	2,023	2,136	2,083	1,970
Barrel miles *(billions)*	**743**	696	771	771	768
Average haul *(miles)*	**941**	946	989	1,014	1,069
Energy Distribution					
Distribution volume *(billion cubic feet)*	**421**	402	397	428	429
Number of active customers *(thousands)*	**1,520**	1,466	1,414	1,362	1,307
Degree day deficiency[4] *(degrees Celsius)*					
Actual	**3,569**	3,460	3,352	4,011	4,209
Forecast based on normal weather	**3,929**	4,060	4,079	4,003	4,058

1 Certain comparative amounts have been reclassified to conform with the current year's basis of presentation.

2 The highlights of the Energy Distribution activities reflect the results of Enbridge Consumers Gas and other gas distribution assets on a quarter lag basis of consolidation.

3 Energy Transportation operating highlights include the statistics of the 15.3% owned portion of the mainline system located in the United States.

4 Degree day deficiency is a measure of coldness. It is calculated by accumulating for each day in the fiscal period the total number of degrees by which the daily mean temperature fell below 18 degrees Celsius. The figures given are those accumulated in the Toronto area.

FIVE YEAR CONSOLIDATED HIGHLIGHTS

ENBRIDGE

Shareholder and Investor Information

(per share amounts in dollars)

	2000	1999	1998	1997	1996
Average common shares outstanding weighted monthly during the year *(thousands)*	**154,469**	150,995	145,448	137,808	124,330
Number of registered common shareholders at year end	**8,265**	8,877	9,207	10,036	10,060
Common Share Trading (TSE) [1]					
High	**44.00**	36.33	35.70	32.85	21.00
Low	**23.00**	28.60	28.95	19.53	15.88
Close	**43.70**	28.65	35.25	32.70	19.98
Volume *(millions)*	**68.2**	51.8	61.5	55.3	52.2
Per Common Share Data					
Earnings applicable to common shareholders	**2.54**	1.91	1.66	1.58	1.45
Cash provided from operating activities	**1.71**	3.28	2.15	3.18	3.86
Dividends paid on common shares	**1.270**	1.195	1.120	1.060	1.015
Financial Ratios					
Return on average shareholders' equity [2]	**18.6%**	14.3%	13.8%	14.2%	15.0%
Return on average capital employed [3]	**7.2%**	6.6%	6.6%	7.0%	7.6%
Debt to debt plus shareholders' equity [4]	**67.6%**	67.4%	69.7%	67.7%	68.4%
Debt to total capital employed	**61.6%**	63.7%	64.8%	62.5%	62.5%
Earnings coverage of interest [5]	**2.0x**	2.0x	2.0x	2.4x	2.3x
Dividend payout ratio [6]	**50.0%**	62.6%	67.5%	67.1%	70.0%

1 Data for 2000 are for Toronto Stock Exchange only. Prior year data include the Toronto and Montreal stock exchanges.

2 Earnings applicable to common shareholders divided by average common equity (weighted monthly during the year).

3 Sum of earnings, minority interest and after tax interest expense divided by average capital employed (weighted monthly during the year). Capital employed is equal to the sum of shareholders' equity, non-controlling (minority) interest, future income taxes, deferred credits, and total debt (excluding short term borrowings which finance gas in storage).

4 Total long-term debt (including current portion) divided by the sum of total long-term debt, shareholders' equity and non-controlling (minority) interest.

5 Sum of earnings before income taxes, minority interest and interest expense, divided by interest expense.

6 Dividends per common share divided by earnings per share applicable to common shareholders.

SHAREHOLDER AND INVESTOR INFORMATION

ENBRIDGE

Common and Preferred Shares

The Common Shares of Enbridge Inc. trade in Canada on the Toronto Stock Exchange under the ticker symbol "ENB" and in the United States on The NASDAQ National Market under "ENBR". The Preferred Shares, Series A, of Enbridge Inc. trade in Canada on the Toronto Stock Exchange under the symbol "ENB.PR.A".

Registrar and Transfer Agent in Canada

CIBC Mellon Trust Company
320 Bay Street, ground floor
Toronto, Ontario M5H 4A6
Telephone: (416) 643-5000
Toll free: (800) 387-0825
Internet: www.cibcmellon.ca
CIBC Mellon Trust Company also has offices in Halifax, Montreal, Winnipeg, Calgary, Regina and Vancouver.

Co-Registrar and Co-Transfer Agent in the United States

Mellon Investor Services
85 Challenger Road
Overpeck Centre
Ridgefield Park, NJ, 07660 U.S.A.
Toll free: (800) 526-0801

Preferred Securities

Enbridge Preferred Securities, Series B and C, trade in Canada on the Toronto Stock Exchange under the ticker symbols "ENB.PR.B" and "ENB.PR.C", respectively. The registrar and transfer agent is Montreal Trust Company.

Debentures

The registrar and trustee for Enbridge Debentures is Montreal Trust Company – Montreal, Toronto, Winnipeg, Edmonton and Vancouver

Auditors

PricewaterhouseCoopers LLP

Shareholder Inquiries

If you have inquiries regarding the following:

- Dividend Reinvestment and Share Purchase Plan
- change of address
- share transfer
- lost certificates
- dividends
- duplicate mailings

Please contact the registrar and transfer agent – CIBC Mellon Trust Company in Canada or Mellon Investor Services in the United States.

Other Investor Inquiries

If you have inquiries regarding the following:

- additional financial or statistical information
- industry and company developments
- latest news releases or investor presentations

Please contact Enbridge Investor Relations or visit Enbridge's web site at **www.enbridge.com**.

Investor Relations

Director, Financial Services
Enbridge Inc.
3000, 425 - 1st Street S.W.
Calgary, Alberta, Canada T2P 3L8
Toll free: (800) 481-2804

Form 40-F

The Corporation files annually with the Securities and Exchange Commission of the United States a report known as the Annual Report on Form 40-F. Copies of the Form 40-F are available, free of charge, upon written request to the Corporate Secretary of the Corporation.

Dividend Reinvestment and Share Purchase Plan, and Dividend Direct Deposit

Enbridge Inc. offers a Dividend Reinvestment and Share Purchase Plan that enables shareholders to reinvest their cash dividends in Common Shares and to make additional cash payments for purchases at the market price. The Company also offers Dividend Direct Deposit which enables shareholders to receive dividends by electronic fund transfer to the bank account of their choice in Canada. Details may be obtained from the Investor Information section of the Enbridge web site at www.enbridge.com, or by contacting CIBC Mellon Trust Company at any of the locations listed above.

Registered Office

Enbridge Inc.
3000, 425 - 1st Street S.W.
Calgary, Alberta, Canada T2P 3L8
Telephone: (403) 231-3900
Facsimile: (403) 231-3920
Internet: **www.enbridge.com**

2001 Dividend Information for Common Shares and Preferred Shares, Series A

	1st Q	2nd Q	3rd Q	4th Q
Record date	Feb. 9	May 18	Aug. 10	Nov. 23
Payment date	March 1	June 1	Sept. 1	Dec. 1
Common Share Dividend Reinvestment Plan (DRIP) enrolment cut-off date	Feb. 2	May 11	Aug. 2	Nov. 16
Common Share Purchase Plan cut-off date for DRIP	Feb. 28	May 24	Aug. 24	Nov. 23

(cheques can be post-dated to the payment date)

Le présent document est disponible en français.

CORPORATE INFORMATION

ENBRIDGE

BOARD OF DIRECTORS

James J. Blanchard
Senior Partner
Verner, Liipfert, Bernhard, McPherson & Hand, Attorneys
Washington, D.C.

J. Lorne Braithwaite
President and Chief Executive Officer
Cambridge Shopping Centres Limited
Toronto, Ontario

André Caillé
President and Chief Executive Officer
Hydro-Quebec
Montreal, Quebec

Patrick D. Daniel
President & Chief Executive Officer
Enbridge Inc.
Calgary, Alberta

E. Susan Evans
Company Director
Calgary, Alberta

William R. Fatt
Chairman and Chief Executive Officer
Canadian Pacific Hotels and Fairmont Hotels & Resorts
Toronto, Ontario

Richard L. George
President and Chief Executive Officer
Suncor Energy Inc.
Calgary, Alberta

Louis D. Hyndman
Senior Partner
Field Atkinson Perraton, Barristers & Solicitors
Edmonton, Alberta

Brian F. MacNeill
Chairman
Petro-Canada
Calgary, Alberta

Robert W. Martin
Chairman
Silcorp Limited
Toronto, Ontario

George K. Petty
Business Consultant
San Luis Obispo, California

Donald J. Taylor
Chair
Enbridge Inc.
Jacksons Point, Ontario

SENIOR MANAGEMENT

Patrick D. Daniel
President & Chief Executive Officer

Mel F. Belich
Group Vice President, International

J. Richard Bird
Group Vice President, Transportation

Bonnie D. DuPont
Group Vice President, Corporate Resources

Stephen J.J. Letwin
Group Vice President, Distribution & Services

Rudy G. Riedl
President, Enbridge Consumers Gas and Senior Vice President, Energy Distribution

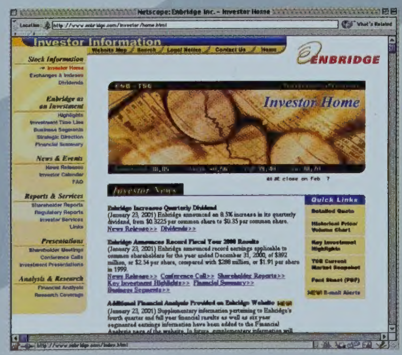
Derek P. Truswell
Group Vice President & Chief Financial Officer

Stephen J. Wuori
Group Vice President, Planning & Development

Electronic voting and document delivery

Enbridge takes pride in providing service to its shareholders, and in meeting shareholders' needs. That is why we introduced electronic proxy solicitation and voting for registered shareholders, and electronic document delivery in 2000. We were the first Canadian company to do so. We are offering electronic document delivery again this year, to both registered and beneficial shareholders.

We recognize that many shareholders prefer this sort of "electronic packaging". It is fast, cost-effective, and a growing



trend. It also fits with Enbridge's service culture approach, and our growing use of technology to lower costs and improve overall service.

Of course we will continue to provide printed copies of the proxy, Management Information Circular and annual report for those shareholders who prefer that format, so you have a choice.

We provide other information electronically, too. You are invited to visit our Investor Information web site, at **www.enbridge.com/investor** where you will find a wealth of financial information such as recent investor presentations, frequently asked questions, financial data – and the current annual report and Management Information Circular, in electronic formats.

Canada's Top 100 Employers

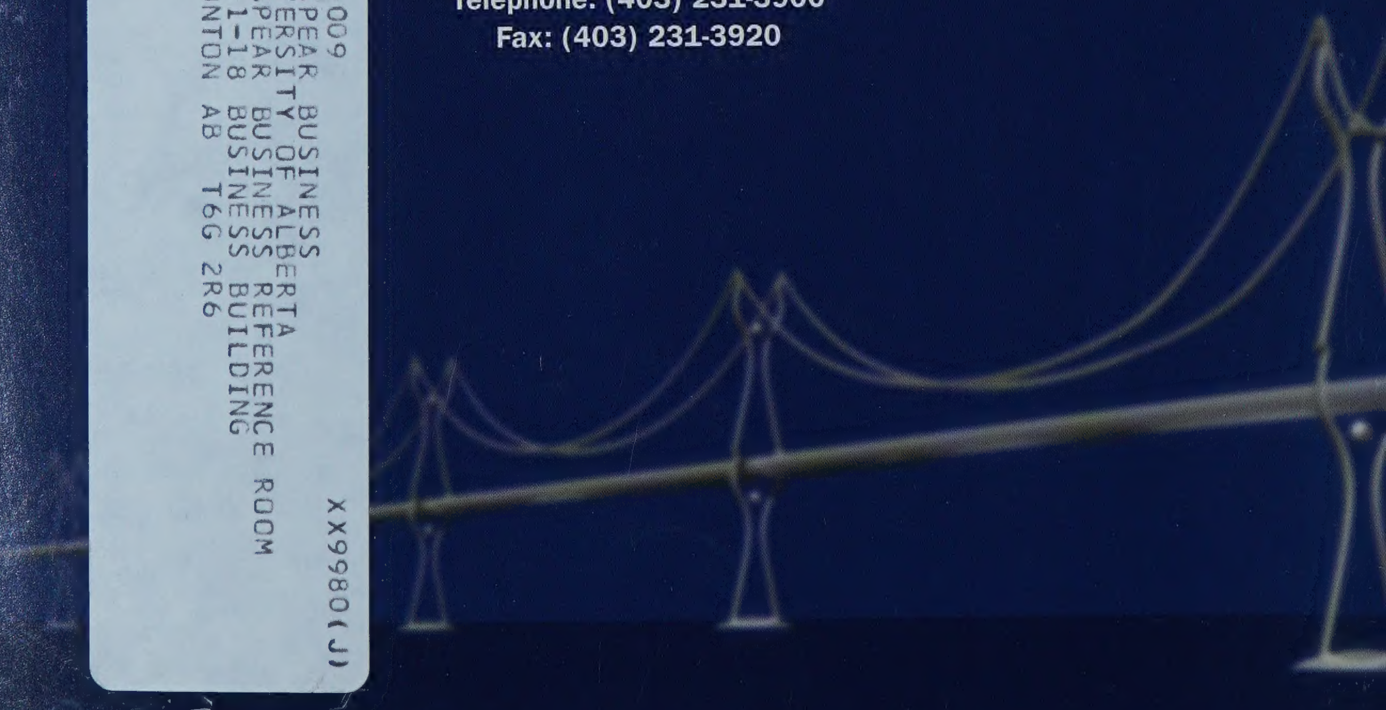
Designed and Produced by Rivard Communications Inc., Calgary Printed by Quebecor World Calgary

Enbridge common shares trade on the Toronto Stock Exchange in Canada under the symbol "ENB" and The NASDAQ National Market in the United States under the symbol "ENBR".

For more information contact:

Enbridge Inc.
3000, 425 - 1st Street S.W.
Calgary, Alberta, Canada T2P 3L8

Telephone: (403) 231-3900
Fax: (403) 231-3920



W W W . E N B R I D G E . C O M